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ABSTRACT

The roles of public and private sectors of higher education in Asia and relationships to national systems are explored in reports from the Third International Seminar on Higher Education in Asia. The focus was China, Indonesia, Korea, the Philippines, Japan, and Thailand. Patterns by which national systems of higher education are differentiated between public and private sectors are compared, and alternative forms of provision and support for higher education are examined. Policy implications for higher education in these Asian countries are also addressed. Seminar paper titles and authors are as follows: "Key-Note Report by the Research Institute for Higher Education" (Kazuyuki Kitamura); "Patterns of Public-Private Differentiation in Higher Education: An International Comparison" (Robert Geiger); "Public and Private Sectors in Japanese Higher Education" (Motohisa Kaneko); "Public and Private Sectors in Philippine Higher Education" (Andrew Gonzalez); "Past, Present, and Future Trends in the Public and Private Sectors of Korean Higher Education" (Kwan Lee); "Public and Private Sectors in Indonesian Higher Education" (Willi Toisuta); "Public and Private Sectors in Thai Higher Education" (Paitoon Sinlarat); and "Governance of Higher Education in the People's Republic of China" (Maoyuan Pan). (SW)

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Reports from the Third International Seminar
On Higher Education in Asia

PUBLIC AND PRIVATE SECTORS IN ASIAN HIGHER EDUCATION SYSTEMS

Issues and Prospects

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PUBLIC AND PRIVATE SECTORS IN ASIAN HIGHER EDUCATION SYSTEMS

— Issues and Prospects —

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RESEARCH INSTITUTE FOR HIGHER EDUCATION
Hiroshima University

3

Public and Private Sectors in Asian Higher Education Systems
— Issues and Prospects —

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November 1987

PREFACE

The Third International Seminar on Higher Education in Asia focused upon the respective roles of public and private sectors, and their relation, in the national systems of higher education. Mobilization of non-public resources for managing and financing higher education is currently receiving increasing attention in many regions in the world. Particularly in the Asian region, the issue is critical in analyzing the current problems of higher education and exploring their prospects.

To address this issue, we invited leading scholars from five Asian countries — China, Indonesia, Korea, the Philippines and Thailand. Together with experts in higher education, from the Unesco Regional Office in Asia and the Pacific and from the United States, they joined the RIHE staff and affiliated researchers. The result was one of our most successful seminars. The insightful presentations and stimulating discussions in the Seminar are reported in this volume. It is hoped that the fruits of the Seminar will stimulate further studies in this area and contribute to building more equitable and more efficient higher education in the Asian Region.

With our past director Professor Hiroyuki Hata, I extend my gratitude to all the partipants of this successful Seminar. Particularly I am grateful to the authors of the papers included in this volume for their efforts. Finally, but not least, I would like to acknowledge the continuing support of the Unesco Regional Office for Education in Asia and the Pacific, and also the financial assistance from the Japanese Ministry of Education, Science and Culture.

Masao Seki
Director and Professor
R.I.H.E.

PUBLIC AND PRIVATE SECTORS IN ASIAN HIGHER EDUCATION SYSTEMS

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BACKGROUND AND OBJECTIVES OF THE SEMINAR

1. General Outline

The Seminar was organized by the Research Institute for Higher Education (RIHE) at Hiroshima University as the third in a series of International Seminars on Higher Education in Asia. These International Seminars constitute a part of Consortium C (Special Research Studies in Higher Education for Development) of the Unesco Regional Cooperation Programme in Higher Education. As a research activity of the RIHE, they are a part of the research project entitled "A Comparative Study of Higher Education Structure and its Functions in Asia and the Pacific." The Seminar was financed by Hiroshima University and the Ministry of Education, Science and Culture, Japan.

2. The Theme and Objectives

A fundamental challenge to Asian higher education systems in the 1980's is to enhance and maintain academic excellence and equity of opportunity in an age of increasing financial stringency. The inadequacy of the present systems of higher education in responding to this challenge can be felt at varying degrees everywhere in the world, and against this backdrop the global interest in alternative forms of providing and supporting higher education has emerged. It is therefore no accident that there has been a growing awareness in the Asian region of the need for reassessment of the roles of public and private sectors in the framework of national higher education systems.

From limited information, we can suspect that the diversity within the region is indeed enormous as to how the national system is structured between the public and private sectors. The share of students in the private sector of higher education, for example, varies from over nine-tenths in the Philippines to less than three-tenths in Thailand, and to none in Malaysia and Singapore. The public institutions in the region appear alike at first glance, but the forms of governance and finance differ substantially from one country to another. The relations between the governments and private institutions are also different. These differences are deeply rooted in the particular historical backgrounds and underlying ideologies and national goals. At the same time, the different patterns of public-private differentiation should have created sharply contrasting consequences in the performance of higher education systems and their relation to the surrounding societies.

The striking divergence in the Asian region in this respect, however, is a clear indication of the wealth of valuable information to be obtained from a better understanding of the structure of public-private differentiation in each country of the region. Such knowledge is of great practical value in itself but, even more important, a shared understanding of different patterns of public-private differentiation, their backgrounds and their consequences in the region will help foster the basis for systematic analyses of alternative forms of providing and supporting higher education and their social consequences. Hence, a meeting addressing this issue should certainly open up prospects for vigorous academic pursuit in search of more efficient and more equitable higher education systems in the region.

It is from these observations that the Third International Seminar was conceived under the title of "Public and Private Sectors in Asian Higher Education Systems." Specifically, the Seminar aims at achieving the following objectives:

(i) To foster common understanding among scholars of higher education on how national systems of higher education in the Asian region are differentiated between public and private sectors.

(ii) To compare the patterns of differentiaion, their backgrounds and their consequences cross-nationally, and to examine some of the fundamental issues related to alternative forms of provision and support for higher education.

(iii) To assess the implications of the analyses above to the policies of higher education in the Asian countries represented, and to explore the prospects.

3. Organization of the Seminar

The Seminar consisted of a round-table discussion at Hiroshima (January 28 and 29) and a public colloquium at Tokyo (January 31). Detailed timetables are presented in Section III. The public colloquium at Tokyo was co-sponsored with the Institute of Higher Education.

From Asian and other regions, seven experts of higher education were invited to participate in the Seminar. From Japan, selected scholars of higher education, in addition to the staff members of the RIHE, joined discussion. The formal participants are listed in Section IV below.

PROGRAM

1. ROUND-TABLE DISCUSSION

At Hiroshima City Hotel, Kyobashi-cho, Minami-ku, Hiroshima

January 28 (Wednesday)

OPENING SESSION (9:00 – 9:20)

Chaired by: *Hiroyuki Hata* and *Toru Umakoshi*

Greetings by the President, Hiroshima University	*Yutaka Okihara*
Opening Address	*Isao Amagi*
Introduction of Participants	*Chairmen*

SESSION A (9:00 – 11:40)

A1. Key-Note Report by the RIHE	*Kazuyuki Kitamura*
A2. "Patterns of Public-Private Differentiation International Comparison"	*Roger Geiger*
A3. "Public and Private Sectors in the Japanese Higher Education System"	*Motohisa Kaneko*

Discussion

Lunch Break (11:40 a.m. – 1:00 p.m.)

SESSION B (1:00 – 2:30)

Chaired by: *Fumihiko Maruyama* and *Joe Hicks*

B1. "Country Report: The Philippines"	*Andrew Gonzalez*
B2. "Country Report: Korea"	*Kwan Lee*

Discussion

Tea Break (2:30 – 3:00)

SESSION C (3:00 – 5:20)

Chaired by: *Tetsuya Kobayashi* and *Tsukasa Daizen*

C1. "Country Report: Indonesia:	*Winarno Surakhmad*
C2. "Country Report: Thailand"	*Paitoon Sinlarat*
C3. "Country Report: China"	*Maoyuan Pan*

Discussion

Reception (6:00 – 8:00)

Hosted by the President, Hiroshima University

At Banquet Room "Fuyou No Ma," 2nd Floor, Hiroshima City Hotel

January 29 (Thursday)

SESSION D (9:00 – 11:40 a.m.)

Chaired by: *Kazuhiro Ebuchi* and *Kazuyuki Kitamura*

Rapporteur's Report — *Muhammad Selim*

Comment

Discusion

CONCLUDING SESSION (11:40 – 11:50)

Concluding Remarks — *Hiroyuki Hata*

Adjournment

2. PUBLIC COLLOQUIUM

Co-sponsored with the Institute of Higher Education

At Kokuritsu Kyouiku Kaikan, Kasumigaseki, Chiyoda-ku, Tokyo

January 31 (Saturday)

Chaired by: *Ikuo Amano* and *Kazuyuki Kitamura*

OPENING ADDRESS AND ANNOUNCEMENTS	(1:30 – 1:50 p.m.)	
Announcements		Chairmen
Opening Address		*Isao Amagi*
Introduction of Participants		*Chairmen*
REPORTS	(1:50 – 3:10)	
"Public and Private Sectors of Higher Education in Comparative Perspective"		*Roger Geiger*
"Public and Private Sectors of Higher Education in Asia"		*Muhammad Selim*
COMMENTS AND DISCUSSION	(3:10 – 4:40)	
		Andrew Gonzalez
		Kwan Lee
		Maoyuan Pan
		Paitoon Sinlarat
		Winarno Surakhmad
		Yoshiya Abe
CONCLUDING REMARKS	(4:40 – 5:00)	
Concluding Remarks		*Chairmen*
Reception	(5:00 – 6:30)	

Co-hosted By:

Director, Research Institute for Higher Education, Hiroshima University President, Institute of Higher Education

At Restaurant "Cattleya," First Floor, Kokuritsu Kyouiku Kaikan

LIST OF PARTICIPANTS

1. Invited Overseas Participants

GEIGER, Roger L.	Associate Research Scientist, Program on Non-Profit Organizations, Institution for Social and Policy Studies and Department of History, Yale University, U.S.A.
GONZALEZ, Andrew Benjamin	President, De La Salle University, Philippines.
LEE, Kwan	President, University of Ulsan, Korea.
PAN, Maoyuan	Director, Institute of Higher Education, Xiamen University, China.
SELIM, Muhammad	Specialist in Higher Education, Unesco Regional Office for Education in Asia and the Pacific, Bangkok, Thailand.
SINLARAT, Paitoon	Assistant Professor, Faculty of Education, Chulalongkorn University, Thailand.
SURAKHMAD, Winarno	Professor, Satya Wacana Christian University, Indonesia.

2. Invited Japanese Participants

ABE, Yoshiya	Professor, National Center for Developement of Broadcast Education
AMAGI, Isao	Director, National Center for Development of Broadcast Education; President, Institute for Higher Education
AMANO, Ikuo	Professor, University of Tokyo
FUKAMI, Hiroaki	Director and Professor, International Center, Keio University
GONDOH, Yoshio	Professor, Kyuushu University
ICHIKAWA, Shogo	Director, Department II, National Institute for Educational Research, Tokyo
KOBAYASHI, Tetsuya	Professor, The University of Kyoto
OHTSUKA, Yutaka	Researcher, National Institute for Educational Research, Tokyo

3. The RIHE Staff Members

HATA, Hiroyuki	Director
SEKI, Masao	Professor
EBUCHI, Kazuhiro	Professor
KITAMURA, Kazuyuki	Professor
UMAKOSHI, Toru	Associate Professor
KANEKO, Motohisa	Associate Professor
MARUYAMA, Fumihiro	Research Associate
HICKS, Joe Eugene	Research Associate
DAIZEN, Tsukasa	Research Associate

4. Observers

RIHE Affiliated Researchers

Representatives from:

Ministry of Education, Science and Culture, Japan.

Secretariat, National Council on Educational Reform

Press

PRESENTED PAPERS

KEYNOTE REPORT BY THE R.I.H.E.

Kazuyuki Kitamura*

One of the global challenges to higher education in the 1980s is to achieve the twin goals of academic excellence and expansion of opportunity under the mounting pressure of financial stringency and limited resources. The need to respond to this challenge is strongly felt everywhere in the Asian region and is becoming an important issue for policy and planning in higher education. Against this background emerged the theme of the present Seminar — reassessment of the relative roles of public and private sectors in tne national systems of higher education.

Specifically, three questions should be addressed through the discussion in the Seminar:

(i) How are the higher education systems in the Asian countries structured between public and private sectors?

(ii) What are the consequences of this structural differentiation on the performance of the higher education system?

(iii) What should be the role of the government with relationship of the two sectors?

I shall elaborate on these questions as follows.

1. Patterns of Public-Private Differentiation in Asia

The higher education systems in Asia present enormous diversity, and the point of departure of the Seminar should be to foster systematic understanding as to how each national system is structured between public and private sectors. For a systematic discussion on comparisons of national systems from this perspective, the participants are referred to the report by Dr. Geiger ("Patterns of Public-private Differentiation: An International Comparison"). In characterizing the pattern of differentiation, three points of reference will be useful.

1) Relative Size.

The first is the relative size of public and private sectors in total enrollment.

* Professor, Research Institute for Higher Education, Hiroshima University, Japan

Available information indicates that the proportion the private sector accounts for in the total enrollment of higher education varies substantially among the participating

Philippines	about 85 percent;
Japan	80;
Korea	79;
Indonesia	65;
Thailand	less than 30;
China	negligible.

countries: The analytical framework by Geiger classifies national systems into three categories: (i) Mass, (ii) Parallel, and (iii) Peripheral private sectors.

2) Relative Function.

The second point is the relative function of public and private sectors. The relative function of private sector may be roughly classified into two categories: (i) quantitative substitute for the public sector, absorbing the excess demand for higher education as a less desirable alternative to the public sector; and (ii) qualititative complement to the public sector, catering to the demand for better or different opportunity than those available in the public sector.

3) Support and Control of Private and Public Sectors.

The third point of reference is how the private sector is controlled and supported. The private sector may be controlled in the following ways: (i) laissez-faire, where private institutions may be freely established with probable accredition by voluntary accredition agencies; and (ii) direct control of the national or local government, through chartering of establishments and/or allotment of enrollment. The financial support of the private sector may come from three sources: (i) student fees, (ii) direct institutional aid; and or (iii) indirect subsidies.

With respect to these points of reference, how can the national systems represented in the Seminar be characterized? In what aspect is there the principal similarities and differences among the national systems in Asia?

2. Consequences of Different Patterns

The contrasting patterns of differentiation should have created differing effects on the performance of higher education systems. Evaluating the consequences will be

the central analytical issue of the Seminar. Critital points may be expressed in the form of three sets of hypothesis.

1) Limit of expansion.

(i) A public-dominant system, when faced with an increasing demand for higher education, would create quantitative constraint on the opportunity because of limited national resources. This results in limited expansion of higher education. (ii) On the other hand, a mass private sector would remove the quantitative constraint. But, it introduces inequality of access in terms of family background and the quality of available opportunity.

2) Efficiency in Resource Allocation.

(i) With a public-dominant system, the governmen is able to control the kind and quantity of college enrollment corresponding to projected man-power need. This arguably helps avoid wasteful use of available resources for the national economy. (ii) On the other hand, with mass private sector, the future man-power sup,-ly is determined by the popular demand for higher education. This may cause excess supply of college graduates in certain fields . The mass private sector, however, allows the higher education system to directly utilize private financial resources.

3) Quality and Effectiveness.

(i) Under the public-dominant system the quality of education can be maintained at a minimun level. But, with the lack of competition there is little incentive to be economically efficient. (ii) In the mass-private system some institutions provide education of marginal quality, rendering diversity in quality among institutions. But, competition among institutions makes it inevitable for private institutions to be cost-sensitive.

Are these hypothesis in accordance to the experiences of represented countries ? What should be the alternative hypotheses? Where do future analytical problems lie?

3. Policy Issues

Provided with the analyses above, the next significant question should focus upon how higher education systems should be altered, or more specifically, what the governments would be able to do in efforts for betterment of higher education systems. The policy issues involved can be organized in the form of the following three

sets of alternatives.

1) More vs. Less Government Control

Private Sector. Alleged over-expansion of enrollment and poor quality of education in marginal private institutions induces arguments for more strict control of private sectors. Belief in freedom of education, and the assumption of contribution of competition to institutional efficiency dictate less control by government.

Public Sector. The need to be publicly accountable leads to strict government control of public sector. In order to induce more efficiency and creativity less control is desirable.

2) More vs. Less Government Support

Private Sector. Disparity in received public subsidy between students in public and private sectors, and inadequate quality of teaching and facilities in the private sector render the ground for the demand for financial support to private sector. Principle of freedom of education, inadequacy of available resources, and difficulty in assuring accountability create resistance to such demand.

Public Sector. In order to ensure high quality of education at low cost for selected students, the public sector has to be given substantial support. In order to reduce the financial burden to the government and disparity between the public and private sector students, subsidies should be lowered.

3) Other Forms of Government Intervention.

The choice in the above alternatives may be supplemented with indirect forms of intervention, including independent organizations for accredition and quality evaluation, national student aid, and independent foundations for financing higher education.

Envisaging these alternatives, what are the critical policy issues in each country? How do the countries represented compare with each other from this perspective?

Conclusion: Prospectives of Public-Private Differentiation

The above discussion would ultimately lead to the question about the future of Asian higher education systems. Would the public-dominant system, namely that of China, create some form of non-public sector? Would the systems with peripheral private sector, as those of Thailand and Indonesia, develop a mass private sector as

the demand for higher education grows? In the systems with mass private sector, as thoes of the Philippines, Korea and Japan, would the pattern of differentiation between public and private sectors remain unchanged? All these vital questions wait to be answered on the table of the Seminar.

PATTERNS OF PUBLIC-PRIVATE DIFFERENTIATION IN HIGHER EDUCATION

— An International Comparison —

Roger L. Geiger*

The organizers of the Third International Seminar on Higher Education in Asia set three guiding objectives: to examine how national systems of higher education are differentiated between public and private sectors; to determine how these different patterns give rise to different consequences or characteristics; and to assess how these characteristics relate to possible alternatives for the development of higher education. These objectives correspond to three levels of analysis for studying systems of higher education. The first is that of structure and function, the second that of operating characteristics, and the third that of policy and change. The principal aim of this paper will be to explain relations between the first and second levels. In the first section three basic structural-functional types of higher education systems will be described. The middle section will then attempt to establish that certain characteristics are inherently associated with each of these types, and then to explain why this should be the case. The multifaceted, decentralized system of the United States will also be considered, because it contains many features found elsewhere, as well as a few all its own. Emphasis will be placed upon explaining the existence of the private sector because the private provision of higher education is more difficult to explain theoretically, and also because of its critical importance for higher education in many Asian countries. Finally, mainly for illustrative purposes, some observations will be offered on the policy issues facing mass private sectors today.

1. Structural-Functional Types of Higher Education Systems

Public-private is a common dichotomy, utilized for purposes of record keeping, general discourse, and sometimes scholarly analysis. As conventionally applied to higher education systems, however, this simple dichotomy conceals a profound imbalance: while public sectors can be regarded as creatures of the state, the state also to

* Associate Research Scientist, Program on Non-Profit Organizations, Institution for Social and Policy Studies and Department of History, Yale University, U.S.A.

considerable extent molds the conditions of existence for privately controlled institutions. The state is thus a powerful factor on both sides of the divide. To some extent this has always been the case, but in the last half of the twentieth century the modern state has played an undoubted role in structuring, regulating, and ultimately helping to finance private sectors. In some countries, notably Canada and Sweden, the expansion of state authority over higher education has virtually extinguished private institutions. But in most nations private colleges and universities have endured, and in some cases (Belgium, Japan, Brazil) even enlarged their share of total enrollments. The development of public sectors can to a consirderable extent be explained in terms of responses, mediated through the political process, to perceived social demands. Private sectors, however, are the result of more diverse factors; and their persistence testifies to the fulfillment of vital educational functions. The greatest challenge in analyzing public-private differentiation thus becomes that of explaining the existence of private colleges and universities under a variety of different circumstances.

In a recent comparative study of private sectors[1] I have analyzed three basic structural-functional patterns of public private differentiation:

1) Mass Private & Restricted Public Sectors: This, of course, is the pattern exemplified by Japan, also found in the Philippines, South Korea, Brazil, and to some extent Indonesia[2]. This type system is inherently hierarchical, with the state sponsoring high-cost, academically elite institutions. The private sector is itself hierarchical, usually containing some old and established institutions with high reputations. Much of the private sector, however, is left with the task of accommodating the considerable excess social demand for higher education. During the rapid escalation of demand in the last generation, these elements of mass private sectors have expanded greatly, leaving the majority of higher education enrollments in private institutions.

2) Parallel Public and Private Sectors: This pattern results from the need to guarantee a significant degree of cultural pluralism within a nonhierarchical system. The existence of national degrees, or the equivalent, requires that each university provide education of equivalent value. But for this equality to be meaningful (i.e. acceptable to different cultural groups) private institutions have to possess resources comparable to public ones. Under welfare-state conditions, as in Belgium and the Netherlands, this has ultimately meant full state funding for private universities. Geographically and culturally far removed, Chile and Hong Kong have evolved along quite similar lines.

3) Comprehensive Public & Peripheral Private Sectors: In this situation the public sector is basically designed to fulfill all of society's higher educational needs; but invariably certain tasks are neglected, thus leaving opportunities (if permitted by law) for private initiatives. A peripheral private sector might consist of only one, "singular" institution, such as Sweden's Stockholm School of Economics, which performs its chosen mission so effectively that there is no practical reason to transform or supplant it. On the other hand, where serious deficiencies exist and persist in a comprehensive state sector, the private sector may have an opportunity to grow to significant size. Such "public-sector failure," for example, accounts for Mexico's 15% enrollment in what constitutes essentially a peripheral private sector.

Some important consequences for private institutions flow from these three structural-functional patterns. Specifically, it will be seen that definite patterns of institutional orientation and behavior correspond with each of these three basic types. These patterns begin with the two factors that are fundamental to the existence of private universities: state authority and financial constraint. The first of these represents an authority outside of the institution, while the second is a variable under some institutional control. Coming to terms with financial constraint, given the nature of higher education, requires that an institution make fateful decisions about what tasks to fulfill and what groups to serve. Basically, it is possible to discern three general orientations that a private university might adopt.

The first would be toward academic attainment. Such aspirations correspond with the incentives for faculty that are inherent in the disciplinary reward structure — the recognition and prestige associated with advancing knowledge that are conferred by the national and international scientific/scholarly communities. Academic orientations carry the highest prestige — and the highest costs — within higher education.

The second possible orientation would be toward the marketplace, or more specifically, the labor markets in which graduates are rewarded directly for the investments that they have made in schooling.

The third orientation would be toward patronage — principally voluntary support, but also encompassing ongoing advantagious service relationships with external parties that help to sustain the institution. Thus, patronage can orient a university toward wealthy individuals, particular social groups, private industry, or any benefactor with sufficient discretionary resources to provide assistance on a significant scale.[3]

These orientations are not necessarily mutually exclusive. The Stockholm School

of Economics presents an example of an institution that simultaneously manages academic distinction, a sustaining relationship with an economic elite, and close ties to business education. More commonly, however, these goals conflict. A vocational orientation, especially toward non-elite occupations, is not conducive to patronage; obsequiousness toward privileged social groups threatens academic commitments to meritocratic procedures; and dedication to academic attainment precludes certain vocational or service roles. Before these intracacies are explored further, however, it is necessary to specify the roles of the state and the nature of the financial constraints facing private universities.

2. Relative Characteristics of Structural-Functional Types

In the structural-functional types just described the state tends to emerge as the proactive force — the actor that chooses its preferred tasks, leaving the remainder for private hands. In truth, however, public-private differentiation is more usually a reciprocal process. Universities are among the most venerable of social institutions, and new entrants to higher education, whether public or private, have almost invariably adapted to what has already existed. Beyond the role of sponsoring and maintaining the public sector, though, the state plays an important and variable role in the private.

Given the qualitative superiority of the public sector in mass private systems, the state tends to adopt the negative role of the enforcer of minimal standards in the private sector. The most direct way in which this is done is through state regulation. Since one aim is to establish a floor of supposed pedagogical effectiveness, ministries of education often resort to detailed and specific requirements for curriculum, degrees, and even classroom conduct. Because some parts of the private sector are often distrusted, bureaucratic regulation is sometimes extended to financial matters as well under the guise of consumer protection.[4] Finally, because the "mass" features of mass private sectors tend at some point to alarm public authorities (i.e. rapid and seemingly uncontrolled growth) some form of control is usually extended to student enrolments. Mass private sectors, in fact, would seem to present the only examples of state-imposed enrolment restrictions on private schools. Extensive state regulation, then, is a concommitant to mass private sectors, with the result that the great number of private institutions does not produce a particularly high degree of diversity.

The state is also deeply involved with parallel private sectors, but here the aim

is to guarantee a high intellectual standard, generally that set by a system of national degrees. Another difference in this case is that financial support precedes, and eventully causes, greater regulatory presence. Historically, in order for cultural minorities to have university education on an equal basis, it became necessary first to provide a state subsidy in lieu of private tuition. Then, in order for the privates to grow with the expansion of higher education enrollments, it became necessary to subsidize their capital needs. Finally, in order for them to match the academic standards of state controlled universities it was necessary to extensively subsidize their operations. In Belgium and the Netherlands near total state support for private institutions, based upon rigid formulae, eventually also brought close government regulation to assure conformance with the legal requirements. Here too, then, large private sectors contain a limited degree of diversity — only in fact along the single axis of cultural values.

State regulation and oversight of peripheral private sectors tends to be low, but at the same time legal barriers are often erected that restrict the operation of private institutions. For example, the decision taken in France more than a century ago to preclude Catholic universities from granting national degrees condemned those institutions to peripheral roles. Thus excluded from the sphere of state responsibility (i.e. guaranteeing the validity of degrees) they were also spared from state scrutiny. Sometimes official state recognition may be required in the form of a license or a charter, but even where such documents imply conformity to government regulations, these provisions tend not to be rigorously enforced (e.g. Mexico). The logic of a comprehensive public sector weighs against close regulation of private alternatives, except where political motives are involved. When the state accepts total responsibility for the social provision of higher education through a comprehensive public system, it need pay scant attention to those eccentrics who choose not to accept what the state has supplied.

With respect to finances, private universities fact just two problems: capital and income! With few exceptions, notably the Philippines and Thailand, private universities are nonprofit organizations [NPOs]. Capital formation is a basic weakness of NPOs, and for that reason they tend to be found in service industries rather than capital-intensive ones. The rationales for the nonprofit form of organization in general have centered upon the intentions of optimizing the satisfaction of producers and/or consumers. For this reason NPOs favor utilizing their discretionary resources to extend and improve the services they produce. Generating a return on capital is at

odds with this fundametal orientation, and for that reason NPOs do not ordinarily enter capital markets, at least on normal terms. They prefer by far to rely on donated capital; failing that, they sometimes turn to the government; and at worst they make special arrangements to borrow at below-market rates.

In the past the capital needs of higher education were quite modest. Some land and a few buildings would generally suffice for the founding of a private college. Physical capital was usually accumulated slowly through sporadic gifts, and church affiliation often provided the organizational means for modest fund-raising efforts. Conditions changed in the mid-twentieth century with the vast expansion of higher education. Universities were compelled to grow and were consequently faced with substantial capital needs. Often it was necessary to purchase and construct entire new campuses. The ability to raise capital became a limiting condition for private colleges and universities throughout the world.

In most developed countries with significant private sectors government involvement was at some point required to meet capital needs. In Sweden and Canada government provision of large amounts of capital to facilitate expansion was the precipitating factor that brought private institutions under government control. Essentially the same process occurred in the United States when several urban private institutions became the nuclei of new state universities. In these public-service oriented institutions there was no compelling justification for retaining private control. In Belgium and the Netherlands, however, where private universities were sponsored by major subcultural populations, independence from the state was considered inherent to their mission. In both countries the government provided the capital for expansion, sometimes at exceedingaly low rates of interest, without calling into question private control. In the United States too, the federal government provided capital to the private sector, but only for certain specified purposes.

Events in Japan illustrate the pitfalls awaiting private institutions that were forced to raise capital on their own. Japan's private colleges responded to a feverish rate of enrolment growth in the 1960s by resorting to bank loans to finance campus expansion. Faced with mounting student militancy at the end of the decade, it became impossible to pass the mounting interest charges through to students by raising fees. A team of OECD examiners that reviewed the system at this juncture found the private sector to be essentially bankrupt, i.e. the private colleges could not expect to repay their debts with existing revenues. This situation was probably the most important factor in the government's 1970 decision to begin direct subsidization of

private colleges. Thus, in Japan too government intervention was ultimately required, although indirectly, to meet the capital needs created by the expansion of private higher education.

The American private sector has been most successful in raising capital privately through philanthropy, although it has not been unique in this respect. Both the Stockholm School of Economics and the Free University of Brussels have benefited from the patronage of impotant industrial families. Still, aside perhaps from the Oxbridge colleges, no private sector has been shaped to a greater extent by action of private philanthropy. But the fact remains that for most private universities in the world philanthropy is not a realistic source of significant financial assistance.

Generating sufficient operating income presents a somewhat different problem for private institutions. The first head of Britain's only private university (the University of Buckingham) has noted "how hard it is to sell something which one can get elsewhere for free or, any rate, for much less."[5] Indeed, his school had considerable difficulty attracting British students until they became eligible to have their fees paid by public funds. Perhaps the fundamental problem of private university finance is raising funds to cover the difference between what students pay for their education and what it actually costs.

Higher education now receives state subsidization in every developed nation for both its social value and to uphold social equity. It is widely accepted that the social rate of return to higher education exceeds the private rate, and that imperfections in capital markets preclude students financing their studies by borrowing against future income. Most advanced nations also share the concern that education should not be rationed on the basis of price. These concerns apply to both public and private higher education, and for that reason some form of state subsidies to private institutions have become the rule as well.

The issues underlying such policies are, first, how much of the cost of their education should students in private institutions be made to bear, and second, how do these charges affect the relationship between state and private instruction. The resolution of these issues in different national systems has depended upon structural type. Only in the United States dose the mechanism of tuition pricing have a major bearing on the relationship between the public and private sectors.

Welfare states such as Belgium, Sweden and the Netherlands have opted to have private university students pay little or none of the costs of their education. Each country has chosen to make higher education available at nominal cost and to elimin-

ate price differentials between alternatives. The result in Belgium and the Netherlands has been that private universities are financed in much the same way as state ones. In fact, in financial matters these institutions have little independence. In Sweden, however, the state negotiates a long-term contract with the Stockholm School of Economics to determine the amount of its annual subsidies and the conditions for receiving it. These payments represent only about a third of the School's income. Thus, it has the independence of a private income, but also the obligation to raise additional funds through voluntary support and by providing services to the business community.

Private institutions in mass private sectors are most heavily dependent upon student tuition. They are primarily engaged in instruction, and for the most part spend little on amenities or overhead. Students have consequently been expected to pay something close to the full cost of their education (one indication of this: student fees vary by faculty instead of by university, thereby better reflecting true costs). The advent of government subsidies in Japan altered this to some extent, but without fundamentally changing the situation. Student tuition is much higher in the Japanese private sector than the public, but this is not necessarily the case in less-developed countries with mass private sectors. Nevertheless, with the public sector being highly selective, the majority of students have little recourse other than seeking a place in the private sector.

From the perspective of these two different types of private sectors it becomes evident that the American private sector is in the unusual position of "trying to sell something that one can get elsewhere for much less." Because there is considerable overlap of function between the sectors, American private colleges and universities have a tacit obligation to provide advantages of academic quality, services, or cultural/pedagogical style that are not readily available in state institutions. This underlying competition consequently motivates private schools to sustain the quality and the variety of their programs. This in itself places upward pressure on costs. But increased costs cannot be readily passed along to students, both because of competition from the public sector and because the costs of education are not fully reflected in tuition. The tuition pricing of private higher education is thus a complicated matter that is vital to the existence of the American private sector.[6]

With these patterns of state authority and financial constraint in mind, it is possible to elaborate the dominant tendencies of private sectors in each different structural pattern. To assist the reader, these consequences are presented in schema-

tic form in the following table. Of course, these "dominant" characteristics do not preclude the existence of exceptions.

Table 1: Dominant Tendencies of Different Structural-Functional Types of Private Sectors

	Mass Private	Parallel Private	Peripheral Private	U.S. Private
State Authority	high [min.standards]	high [high standard]	low	low [indirect]
Financial Constraint	tuition dependent	publicly supported	private resources	pluralistic support
Orientation toward:				
Academic Integration	low	high	low	highest for research univ.
Marketplace	high	low	high/low	highest for urban service U.
Patronage	low	low	low/high	highest for liberal arts col.

Mass Private Sectors: Since the driving force behind mass private sectors is private demand for higher education, private universities operate in a kind of sellers' market. They thus have the opportunity to charge something close to the full cost of the educational services that they provide. During particularly rapid periods of expansion, they might even be able to charge more than their marginal costs, thus raising some small amounts of capital. The histories of private higher education in Japan, the Philippines, and Turkey, however, suggest that this is a temporal phenomenon. Consistent capital generation would require raising tuition to levels that stimulate consumer opposition. Moreover, this opposition tends to be manifested in political terms (state regulation) rather than ecomomic terms (decreased demand). Thus, with a few possible exceptions, like the recently founded private medical and dental schools in Japan, the level of tuition that can be charged is constrained by the financial capabilities of the mass of student/consumers, the effects of competition between institutions, and the intrusion of the state.

Tuition dependence is thus an inherent limitation on the quality of the educational services that private universities can provide. In particular, it allows for a comparatively limited amount of the kind of amenities associated with academic attainments. Private universities thus leave the pursuit of research and scientific recogni-

tion chiefly to their public sector counterparts. One result of this absence of academic integration in the private sector is the weakness and fragmentation of the academic profession.

Since the resource bases of private universities are, largely for historical reasons, quite unequal, the private sector as a whole is markedly hierarchical. Prestige, however, results less from academic attainment than it does from success in the marketplace. The capacity to place graduates in good jobs is the principal mark of success — and a lure for future high-quality students. This type of vocationalism is not conducive to patronage. The private universities appear to be producing private benefits that accrue to their students (and perhaps more through screening than through creation of human capital); there would thus seem to be little justification for donating funds to expand or improve these services.

Parallel Private Sectors: The logic of parallel private sectors springs from a system of national degrees that are meant to guarantee a high level of academic attainment. This results in a high degree of academic integration, and an attendant cost structure that requires government subidization. The greater the extent of direct government support, the more extensive in the long run government regulation is likely to be. This tends to produce a rather rigid academic curriculum that is little influenced by the marketplace for university graduates. Vocational subjects, in fact, are usually segregated in a non-university stratum of postsecondary education. The greater the extent of government suppport, the fewer private resources likely to be directed toward the private sector. Private universities as a result are unresposive toward external constituencies other than their actual sponsors.

Peripheral Private Sectors: As adjuncts to comprehensive public systems, peripheral private sectors must have an important *private* reason for existing. Concommitantly, they will be predominantly dependent upon private resources for their sustenance. In theory, the state should have little concern about their operations; but in fact there is often a political antagonism, tacit (Stockholm School of Economics, Mexican Business Schools) or overt (Catholic Universities in France), that encourages the state to circumscribe their activities. Academic integration is a luxury that some peripheral institutions may be able to afford, but for most their dominant orientation will be toward those external groups upon whom they depend. In some cases this means an overt orientation toward the marketplace with a corresponding low liklihood for patronage. Where significant patronage is available from supporting groups, however, peripheral institutions may be able to distance themselves from the

production of useful skills and salable credentials.

The United States Private Sector: The American private sector deserves separate consideration because of its size and because it offers several different kinds of alternatives to the numerically dominant public sector. The private sector as a whole shows a high degree of pluralism in its funding, receiving significant amounts from student tuition, indirect government support (to purchase student instruction or research), and private patronage. But aggregate statistics conceal definite orientations for different types of institutions. Private research universities consider academic integration the most important institutional mission. They are able to excell academically in part because of past and current patronage, but particularly due to government sponsorship of scientific research. Urban service universities tend to be tuition dependent, and consequently are exceedingly sensitive to the marketplace. Liberal arts colleges are the most purely dependent upon patronage, which allows them to maintain the margin of quality in undergraduate education by which they justify their existence. The indirect nature of federal government support, as well as the federal political structure, makes government authority only one of many influences upon American private higher education.

3. Policy and Change

In light of the foregoing analysis, it would seem that policies aimed at maximizing the advantages, or minimizing the disadvantages, of private sectors should be designed to complement the particular structural-functional type and its consequent characteristics. Expressed so baldly, this may appear to be mere common sense. But sensibleness has not always been common in public discussions of private sectors. The recent debate in Western Europe, for example, has been highly unrealistic in both claims for and objections against private institutions.[7] And in the United States the virtues of private higher education are almost ritualisticallay invoked in defense of vested interests without regard to the differing orientations of the private subsectors.

Private higher education does indeed potentially possess qualities that might be of value to most societies. One set of such qualities is associated with diversity. The existence of diversity in a system enhances individual choice and thus the optimization of individual welfare. Diversity is also produced as organized groups within society pursue their collective ends, the result in this case being the enhancement of pluralism. In both cases, the responsiveness of private institutions to stimuli external

to the higher education system is conducive to adapting higher education to society's needs. An additional potential benefit of private sectors is the mobilization of private resources for higher education that would not otherwise be available. In part these resources come from students as fees for service, but occasionally they can be derived from external groups as patronage. The challenge of higher education policy, then, is to influence the characteristics of given types of private sectors to realize such advantages as are feasible, while also seeking to minimize the effects of inherent weaknesses. In practical terms, this could be illustrated by applying the framework to some of the policy alternatives facing mass private sectors.

Mass private sectors possess the important social advantage of meeting the large private demand for higher education and for university credentials, and in doing so chiefly through the mobilization of private resources. Their inherent drawbacks include a weak resource base, low level of academic standards in many institutions, and a consequent state effort to compensate for low standards through extensive regulation. The combination of credentialism and regulation produces a fairly low level of diversity. Thus, one desirable direction for future change would be to lessen government regulation and encourage the stronger private universities, in particular, to develop distinctive areas of strength. The Philippines has been contemplating just such a policy, which would rely upon accreditation through established private agencies. Institutions that meet accrediting standards might be exempted from such close government scrutiny, while the thrust of regulation could then focus on maintaining minimal standards in the weaker institutions.[8]

Japan is alone among mass private sectors in being able to boost the resource base of private colleges and universities through the infusion of significant amounts of public funds. Moreover, this has been done in an imaginative way that established financial incentives for increasing inputs associated with academic strengthening. In terms of the typology suggested above, one could say that Japan, by attempting to raise the floor of minimal standards, has endeavored to move in the direction of parallel public and private sectors. Two features of mass private sectors, however, would seem to create obstacles to the translation of additional resources into the improvement of academic quality. First would be the problem of increasing the incentives for academic achievements among students who are chiefly motivated to obtain credentials for the labor market. South Korea has attacked this problem by attempting to motivate students in a particularly heavy-handed manner. It has been proposed that private universities fail 30% of each graduating class in order, as Voltaire

put it, "to encourage the others." Such a policy would seem to be prejudicial to precisely the strongest private universities. A more constructive approach might aim at the creation of positive inducements to student achievement, such as greater recognition and reward for academic attainments, enhancing the lure of selective graduate programs, or perhaps by improving the content of academic programs.

Probably one of the most difficult and pervasive problems of mass private sectors would be the weakness of the academic profession, and hence the low motivation among private sector faculty for research, publication, or even general intellectual involvement with their fields. In Japan government subsidies have increased salary levels for faculty in private universities — an important prerequisite for improving quality in the long run — but it has not yet become apparent that this in itself has improved the academic performance of private sector faculty. Perhaps it would be appropriate to consider more focused policies. One possibility might be a program of faculty fellowships for sabbatical leaves. Greater availability of external research funds might also encourage private universities to place a higher value on the academic involvement of their faculty. The further development of graduate education, as well, would have positive effects.

Such observations are offered, not as prescriptions for future policies, but rather to illustrate how an understanding of the principal patterns of public/private differentiation, and their distinctive consequences, can identify problem areas or policy concerns that are common to given structural types.

NOTES

1. Roger L. Geiger, *Private Sectors in Higher Education: Structure, Function and Change in Eight Countries* (Ann Arbor, Michigan: University of Michigan Press, 1987). Japanese translation forthcoming, Tamagawa University Press. The eight systems considered here are: Japan, the Philippines, Belgium, the Netherlands, France, Sweden, Britain and the United States.
2. For South Korea and Indonesia, see *Higher Education Expansion in Asia: Reports from the 1985 International Seminar on Asian Higher Education* (Research Institute for Higher Education, Hiroshima university, 1985): for Latin American systems, see Daniel C. Levy, *Higher Education and the State in Latin America: Private Challenges to Public Dominance* (Chicago: University of Chicago Press, 1986).
3. Some of the implications of academic authority and of market influence are discussed in Burton R. Clark, *The Higher Education System: Academic Organization in Cross-National Perspective* (Los Angeles: University of California Press, 1983); However, Clark does not consider external influence exerted through patronage. For important examples of industrial patronage of private universities, see infra. Kwan Lee, "Past, Present and Future Trends in the Public and Private Sectors of the Korean Higher Education System."
4. Andrew Gonzalez, "Public and Private Sectors in the Philippine Higher Education System," infra.

5. Max Beloff, "Starting a Private College: a British Experiment in Higher Education," *American Scholar* (1979): 395–403.
6. Roger L. Geiger, "Finance and Function: Voluntary Support and Diversity in American Private Higher Education" in Daniel C. Levy, ed. *Private Education: Studies in Choice and Public Policy* (New York: Oxford University Press, 1986).
7. Roger L. Geiger, "The Private Alternative in Higher Education," *European Journal of Education* 20 (1985): 385–97.
8. Gonzalez, "Philippine Higher Education."

PUBLIC AND PRIVATE SECTORS IN JAPANESE HIGHER EDUCATION

Motohisa Kaneko*

Introduction

With about 80 percent of its student population in private colleges, Japan represents one of the most privatized higher education system in the world.

But, what exactly constitutes the uniqueness of the Japaneses system with respect to the structure of differntiation between the public and private sectors? Why has such a structure been formed in the process of development of the higher education system and the society as a whole? With those structural characteristics how does the system function, and what are its social consequences?

These are the questions that I will try to approach in this paper.

In the following discussions, I will first delineate the structural characteristics of the Japanese system (Section 1), followed by a digression in the historical process of the making of the present structure of public-private differentiation (Section 2). Based on these observations, the functions of the present system, its consequences to the equity and efficiency in provision of higher education, and the polisy issues that they bear shall be examined (Section 3).

1. The Structure of Public-Private Differentiation

What exactly constitutes the uniqueness of the Japanese system of higher education with respect to the differentiation between the public and private sectors? Following the Key-Note Report and the Paper by Dr. Geiger, I shall focus upon three points of reference: (i) the distribution of enrollment between the public and private sectors (ii) relative roles of the two sectors in education and research; and (iii) the state control and support of the two sectors. In order to clarify the profound characteristics of the Japanese system, I will make comparison to the higher education system in the United States. This is partly due to the inadequacy of available information about the higher education systems in Asia, which will be greatly rectified

* Associate Professor, Research Institute for Higher Education, Hiroshima University

through this Seminar.

1) Distribution of Enrollment

The Japanese higher education system consists of about two-hundred public institutions (132 national institutions and 85 municipal institutions) and almost nine-hundred private institutions.

As indicated in Table 1, of the total 2,200 thousands students enrolled in the Japanese higher education system (including two-year and four-year institutions), 75 percent are included in the private sector. The public sector accounts for the remaining 25 percent (national institutions 21 percent, and the municipal institutions 4 percent). With the public-private ratio of enrollment at 1 to 3, the predominance of the private sector in enrollment renders a profound characteristics of the Japanese system.

In contrast, the public sector in the American higher education system predominates the entire system in terms of enrollment. It accounts for 77 percent of the total 9,459 thousands students enrolled, leaving only 22 percent to the private sector. The public-private ratio for the United States thus becomes 3 to 1, which is just the opposite to that of Japan. The contrast between Japan and the U.S. in this aspect is quite clear.

One should take note, however, that the contrast is not something traditional in the two countries. Comparing Japan and the U.S., at the beginning of the postwar period the public-private ratio of enrollment was almost even. It was in the process of the postwar enrollment expansion that the relative proportion of the two sectors changed in opposite directions, thus creating the sharp contrast seen today. I shall come back to this point later.

2) Relative Role in Education and Research

The second point of reference is the relative role of the public and the private sectors in education and research.

The higher education system in Japan is known for its sharp hierarchy among individual higher education institutions with respect to selectivity in admission of students. The position that each institution is placed in this hierarchy corresponds to a number of factors that are not nesessarily directly related with the type of establishment. Generally, however, the public institutions are placed in relatively high positions. Although some private institutions are rated among the top, many private in-

Table 1. Number of Higher Education Institutions and Enrollment — 1985 —

	Public		Private	Total
	National	Municipal		
Number of Institutions				
Four-Year	95	34	331	460
Two-year	37	51	455	543
Total	132	85	786	1103
Enrollment (thds.)				
Four-Year	449	55	1344	1849
Two-year	17	21	333	371
Total	466	76	1677	2220

Source: Office of the Prime Minister, 1986, p.646

stitutions constitute the lower segments of the hierarchy. Also, it should be noticed in Table 1 that the private sector accounts for 90 percent of the enrollment in two-years institutions.

The public sector is also dominant in research. Research ranks among the top priorities in most of the public institutions, whereas it receives relatively minor attention in the private sector except in a few leading private universities. In 1985, 43 thousand graduate students were studying in public institutions, compared to 24 thousand in private institutions [Office of the Prime Minister, 1986]. Comparing the size of undergraduate enrollment between sectors, the relative concentrarion of research functions in the public secter should be clear.

In contrast, it is the private sector that generally enjoys high prestige in the United States. Several indicators suggest that a substantial proportion of the most selective institutions are private. Although some of the public institutions are very selective, the public sector encompasses large segments of state colleges and junior colleges that are open-admission. In fact, about one-half of the students in the public sector are enrolled in two-year institutions, and the public sector accounts for 94 percent of the total enrollment in two-year institutions. Meanwhile, it is easy to observe that private institutions are substantially over-represented in the lists of leading research universities.

3) State Control and Support

The third point of reference is the state control and support of the public and

private sectors.

A frequently overlooked, but significant, characteristic of the public sector in Japan is the absence of formal differentiation with respect to institutional mission. Although individual institutions vary considerably in prestige and selectivity of admission, all the national universities are considered to serve alike as places for education and research. The form of state control and support is therefore uniformal among the institutions. This draws again a sharp contrast to the higher education sys-

Table 2. Educational Revenue of Higher Education Institutions by Source

Year[a]	Total Educational Revenue (bil. Yen) (1)	% Distribution			
		Total	Tuition & Fees (2)	Public Subsidy (3)	Others (4)
Public Institutions					
1951	13.2	100.0	3.8	96.2[b]	–
1963	48.6	100.0	9.0	91.0[b]	–
1966	103.3	100.0	5.9	8[illegible]	5.8
1970	170.9	100.0	4.0	90.6	5.3
1975	353.8	100.0	6.4	86.3	7.3
1980	379.0	100.0	13.3	80.9	5.8
Private Institutions					
1951	4.2	100.0	99.9[b]	0.1	–
1963	103.0	100.0	96.8[b]	2.6	–
1966	228.7	100.0	90.6	2.6	6.8
1970	365.2	100.0	84.9	6.7	8.4
1975	896.2	100.0	77.4	17.3	5.3
1980	1874.6	100.0	70.4	21.2	8.4
Public and Private Institutions					
1966	241.9	100.0	54.4	39.2	6.4
1970	420.7	100.0	52.0	40.8	7.2
1975	985.5	100.0	51.9	42.1	6.0
1980	1696.0	100.0	54.0	38.3	7.7

Source: Japan, Ministry of Education 1951, table 8–3; idem 1964, table 1–7; idem. 1967, table 1–7; idem 1971, table 1–7; idem. 1976, table 1–(4); idem 1981, table 1–(4).

Note: "Total Educational Income" in column (1) for the public institutions was estimated as the difference between the "Total Expenditure" and "Incomes from Hospitals" in the original date. That for private institutions was taken from "General Educational Income" in the original data.

[a] The year stands for the calendar year when the designated fiscal year ends.

[b] Includes "Others."

tem in the United States. The American public sector is differentiated, with varying degrees by state, into a few subsectors each serving separate purposes. Typically, in California the public sector consists of three subsectors: the State University of California, California State Universities and Colleges, and the public junior college systems. These subsystems have separate missions explicitly defined through legal procedures. Accordingly, the forms of state control and support are clearly different.

As for the private sector, the government intervenes in Japan through its institutional subsidy to the private institutions. Through the Higher Education Promotion Law enacted in 1972, the government is contributing about one-fifth of the current educational revenue of private institutions (Table 2). In the United States, the government does not make such contributions except for state support in a few states. Instead, the federal government contributes substantially to the research activities in the private institutions through federal grants to advanced research.

Summarizing the above argument, I characterize the Japanese system of higher education in the following three points: (i) the large proportion (three-fourths) of enrollment in the private sector; (ii) relative superiority of the sector in selectivity of admission and research; and (iii) absense of formal differentiation in the public sector, and a partial state subsidy to the private sector.

2. The Making of the Structure

The discussion above delineated the structural characteristics of the Japanese higher education system. But, why did the Japanese higher education system acquire those characteristics? I mentioned in the previous section that the sharp contrast in public-private enrollment distribution between Japan and the United States was created in the postwar period. A digression on the historial process of the postwar enrollment expansion would help answer this question.

1) Postwar Policy and Its Ideology

I first focus upon the policy orientation of the governments about higher education at the outset of the postwar era. In delineating the policy orientation, it is important to consider the following factors: financial constraint, the ideology of democratization, and the drive towards economic development.

First, the resources available for higher education from the national government was obviously limited. In the period of economic reconstruction the priority if the governmental expenditure was given to physical construction. Moreover the national

education system itself underwent a drastic change, to create a nine-year compulsory education system. The senior high school enrollment increased vigrously, which also demanded substantial resources.

Second, the basic principle of the postwar reform was democratization and, despite some reactionary movements, this principle rendered the basis in directing education policies. Reflecting this principle, one of the major reforms in higher education was the transformation of the multi-track system of the prewar period into the single-track system. Accordingly, a large number of non-university institutions should have been upgraded into universities, and they had to be treated equally. At the same time, higher education should be available to anybody without regard to family income. This principle dictated low tuition for the public institutions.

Third, as the postwar reconstruction developed, the political focus shifted to the achievement of economic growth. This implied that a large number of college graduates should be produced in the field of natural sciences and engineering. The public sector of higher education became the core for the formation of the necessary manpower. In fact, when the total enrollment of the public sector increased from 199 to 321 thousands over the period 1958–1970, 67 percent was due to the increase of enrollment in the departments of natural science and engineering.

Hence, the public sector of higher education was prescribed with limited resources, had to be uniformal and charge low-tution, and was given an imperative to expand the costly engineering and natural science departments. The policy was oriented, in consequence, towards qualititative upgrading of the public secter.

This is in a clear constrast to the policies observed in the United States. There was a clear ideolgy that called for equity of higher education, typically manifested in "Higher Education for American Democracy" published in 1947. With the end of the Korean War, the public resources available to social services increased. Moreover, the tradition of the community college movent from the prewar periods rendered the basis for creating an open enrollment higher education system without formally creating a dual-track system. Provided with these factors, the orientation was towards quantitative expansion of the public sector.

The contrast of policy orientations between the two countries is demonstrated in Table 3, which shows that over the 1960s per-student expenditure in Japanese public institutions increased substantially, while in the United States it remained practically unchanged.

Table 3. Distribution of Enrollment by Type of Institution
— Japan and the United States, 1950—80 —

Year	Japan				U.S.			
	Total Enrt. (thds.)	% Distribution			Total Enrt. (thds.)	% Distribution		
		Total	Pub.	Prv.		Total	Pub.	Prv.
	Four-and Two-Year Institutions							
Distribution of Enrollment								
1950	323	100.0	43.0	57.0	2296	100.0	50.3	49.7
1955	601	100.0	37.6	62.4	2677	100.0	55.9	44.1
1960	709	100.0	33.7	66.3	3609	100.0	59.2	40.8
1965	1086	100.0	27.4	72.6	5966	100.0	71.9	28.1
1970	1670	100.0	23.1	76.9	8649	100.0	74.9	25.1
1975	1997	100.0	22.0	78.0	11289	100.0	78.8	21.2
1980	1883	100.0	18.7	81.3	9790	100.0	84.5	15.5
	Four-Year Institutions							
Distribution of Enrollment								
1950	308	100.0	44.5	55.5	2079	100.0	47.4	52.6
1955	523	100.0	40.3	59.7	2369	100.0	52.0	48.0
1960	626	100.0	35.5	64.5	3156	100.0	55.2	44.8
1965	938	100.0	29.4	70.6	4790	100.0	61.7	38.3
1970	1407	100.0	25.6	74.4	6422	100.0	68.1	31.9
1975	1734	100.0	23.6	76.4	7288	100.0	69.2	30.8
1980	1835	100.0	25.0	75.0	7599	100.0	67.8	32.2

Source: Japan, Office of Prime Minister 1982, tables 417 and 419; American Council on Education 1982, tables 73 and 75.

Note: The number of enrolled for Japan refers to that as of May 1 of the designated year. That for the U.S. is the "Opening Fall Enrollment." In both cases the figures include graduate students and part-time students.

2) Demand Expansion and Adaptation

By the late 1950s the postwar economic reconstruction advanced, and the demand for higher education in Japan started expanding. The major factor in the demand expansion was the increase in the family income, which made college education affordable to an increasing number of the college-going population. At the same time, the prospect of continued rapid economic growth helped the expected economic return from education. These factors increased the proportion of those who wished to go to colleges [Kaneko 1984]. Moreover, it was clear by the beginning of the 1960s that the postwar baby-boom generation would reach college-going age. Thus it was anticipated that the quantity of the places in colleges demanded would increase radically in the 1960's.

On the other hand, under the policy orientation the enrollment capacity of the

public sector did not increase appreciatively. The gap between the demand and supply created a growing frustrated demand for higher education. This rendered an increasing political pressure towards expansion of the private sector. It should be noted that around the 1960s, the Ministry of Education was proposing stricter conditions for chartering private institutions. The ruling Liberal-Democratic Party, however, due to the political pressure eventually over-ruled the bureaucracy. The policy towards the private sector then shifted to a virtual laissez-faire, with substantially relaxed standards for chartering [Pempell, 1973].

This resulted in a tremendous growth in the number of private institutions and the enrollment therein. Table 3 indicates that over the period 1950–1975, the total enrollment in the private sector expanded 8.5 times, compared to 3.2 times for the public sector. As a consequence the share of the private sector in enrollment increased from 57 percent to 78 percent.

What happened in the United States was exactly the opposite. The policy orientation stated above in effect dictated that the public sector remains open to any high school graduates. As the demand for higher education increased due to economic factors, the public sector had to be expanded and, under the political and economic environment in the 1960s, it did expand. Since the relatively inexpensive opportunity of higher education in public institutions matched the increase in demand, the private institutions could only survive by providing superior, or unique kinds of education. Therefore the private sector did not expand in enrollment. As a consequence, the share of public sector in enrollment increased substantially

3) "Crisis" of Higher Education and Policy Re-Adjustment

By the end of the 1960s, the higher education system of Japan faced a "crisis." The crisis was conceived generally as a political one, but it should be emphasized that it was more a structural crisis of the higher education system after the period of unprecedented expansion.

A clear indication of the crisis was the financial difficulty that private institutions underwent around 1970. What actually caused the financial crisis is still debated, but it is at least clear that it can not simply be attributed to mismanagement of individual institutions. To varying degrees almost all institutions experienced difficulty. The student movement against the increase in tuition and the prospect of the decrease of college-age population aggravated the situation. At the same time, the disparity between the public and private sector became too obvious after decades of policy

Table 4. Estimated Expenditure Per Student in Higher Education — Japan and the United States —

Year[a]	Per Student Expenditure			Ratio (2)/(1)
	Public (1)	Private (2)	Pub. & Prv.	
JAPAN				
In Current Price (Thds. Yen)				
1963	178.7	138.6	150.5	0.76
1966	321.3	151.1	195.2	0.47
1970	442.7	194.6	251.9	0.44
1975	804.1	383.3	493.5	0.47
1980	1070.2	768.4	836.2	0.72
Index in Real Price (1963=100)				
1963	100.0	100.0	100.0	–
1970	171.5	97.3	115.9	–
1975	180.7	111.1	131.7	–
1980	175.3	162.4	162.7	–
THE UNITED STATES				
In Current Price (Dollars)				
1949	855.6	753.5	804.7	0.88
1959	1260.0	1371.3	1306.2	1.09
1969	1739.4	2759.3	1995.1	1.58
1978	3092.3	5132.9	3613.2	1.66
Index in Real Price (1959=100)				
1959	100.0	100.0	100.0	–
1969	105.0	153.4	116.5	–
1978	100.5	153.3	113.3	–

Source: The price deflators for Japan were taken from: Bank of Japan 1967, table 159; idem 1974, table 159; idem 1982, table 165. The price deflators for the United States were taken from Joint Committee of the U.S. Congress 1979, pp. 22 and 23.

Note: The per-student expenditures were estimated by dividing the total educational revenues in Table 2 and 3 above by the number of students in Table 1 above.

[a] The year for the United States stands for the beginning of the designated fiscal year.

orientation towards qualititative upgrading of public institutions. The tuition gap was steadily increasing, and the difference in per-student expenditure was also increasing as indicated in Table 4.

It should be noted that, by this time, the private sector constituted one-fourth of the enrollment of private institutions. Provided with the large number of middle-income families whose children enrolled, or anticipate to enroll, the political leverage

of the private sector of higher education had became stronger. Moreover, if dissolvency of colleges and universities would have occurred in any large scale, it world have been a serious political liability. Finally, after the decade of economic growth, there was an increasing pressure towards a welfare-state. Under these circumstances, the ruling Liberal-Democratic Party proposed a direct institutional subsidy to private institutions, which resulted in the Higher Education Promotion Law which was enacted in 1972. In the ensuing periods, the subsidy increased to account for more than 20 percent of the current expenditure of private institutions.

It is noteworthy that the private institutions in the United States underwent finacial difficulties around the same period, and pressed for institutional aid. The federal government, however, chose not to increase institutional aid; instead it created a national system of scholarships through the Higher Education Act of 1972. Hence, the American system again took a contrasting direction to that of Japan in readjusting itself to the crisis of higher education.

3. Functional Consequences and Policy Issues

The section above overviewed how the present structure took its present form. We should also ask how it functions, and what are its social consequences. I shall try to answer this question by evaluating the performance of the present system from the view-point of economic efficiency, equity of opportunity and academic exellence.

1) Economic Efficiency

From the stand-point of resource allocation in the entire economy, one could argue that the present system functioned effectively.

The heavy reliance on the private sector made it possible to expand the higher education system without directing too many resources. This helped the national government to devote more resources to primary and secondary education, which should have been given higher priority ever for the goal of economic growth. Moreover, the concentration of national resources on the public sector, particularly on the departments of natural sciences and engineering, allowed the system to exploit the economy of scale. Consequently, the entire system succeded in effeciently producing a large number of engineers and natural scientists who became the core members of the rapidy growing industries.

To be sure, the policy forced the sacrifice on the part of each household. But even this may have affected economic growth positively. In order to send children to

private institutions, families had to save a substantial amount of financial resources, thus helping raise the savings rate, which contributed to the accumulation of capital that was critical in the stage of economic growth. In fact, according to opinion surveys education is consistently listed among the important objectives of savings. One may recall, in contrast, that in the United States, middle class families could count on public institutions of higher education in case they failed to save enough to send their offspring to private institutions (Riesman and Jencks, 1972). The public sector of higher education functioned as a sort of insurance, and relieved families from the need to save.

It is sometimes argued that a laissez-faire policy for private higher education would induce over-investment in higher education, thus leading to ineffective use of available resources for the entire economy. But at last under the rapid and consistent economic growth seen in Japan in the 1960s, this was not the case. With the increase of college graduates, the estimated economic rate of return to higher education declined somewhat. It nonetheless remained consistently higher to the rate of return to physical investments. Higher education, on the whole, remained a sound investment both to the whole society and to individuals [Kaneko, 1985].

These functions of the present structure of public-private differentiation ought to be evaluated positively in the process of rapid economic growth. However, as the rapid growth ends and the focus of the whole society and economy shifts, the value of these functions should decline. The concentration of resources on limited institutions, though effective in the process of absorption and emulation of foreign technology, may became ineffective. Even the high savings rate, once extolled as a virture of the Japanese culture, is now deemed detrimental to harmonious economic growth. Moreover, with the end of organizational expansion of business institutions the traditional employment opportunity for social sciences students are unlikely to expand.

2) Equity of Opportunity

The premise of the present structure of public-private differentiation is that it serves the objective of equity of opportunuty in higher education in two ways.

On the one hand, the public sector assures through the low tuition policy that those with high academic ability should be able to receive a high quality college education irrespective of family income. On the other hand, the private sector provides the opportunity of higher education at vatious leves of quality to those who are unable, or do not choose, to attend public institutions in so far as they are willing to

make the sarcrifice of paying a substantially higher cost.

In the postwar period this policy did in fact contribute to enhancing equity. It should be noted that in the prewar period the tuition level of national institutions was by no means low-the tuition of national universities in 1935 was 50 thousand Yen (in 1980 real price)-but it went down to 21 thousand by 1955, and changed little until the 1970s. Considering the increase in family income over this period, the enhanced finacial accessibility to national institutions should be obvious. Moreover, upgrading of the regional national colleges and universities was critical in lessening the effective cost of college education to students living far away from large cities. The availability of private alternatives, on the other hand, helped prevent too sharp of an academic division among young people at a relatively early stage of life. The hierarchy in selectivity among institutions does create such differentiation; but it at least represents gradual difference rather than division into two groups. It is of interest to compare this dual structure of equity to the American case, where the public sector provides a low-cost but relatively unselective alternative while many private institutions represent high-cost and high-quality alternative.

The validity if this dual structure of equity, however, came into question as enrollment rate increased. As the enrollment rate surpassed the thirty percent level and reached what Martin Trow called the "mass-stage," higher education started to impart the quality of universal education as once was the case with secondary education. The middle class came to consider college education as a basic right, and from this stand point the sharp disparity between the public and private sectors appeared as nothing but a form of inequality. Meanwhile, it was apparent that the public sector enrolled a number of students from relatively high income families, and the heavy subsidy to the public sector had to be criticized. The policy readjustment in the beginning of the 1970s sought to address this issue by establishing government subsidies to private institutions. At the same time, the tuition level at public institutions was raised in the 1970s. Nonetheless, those policy measures did not go beyond partial readjustment of the existing structure of public-private differentiation.

3) Internal Efficiency and Academic Excellence

Under the postwar policy orientation, leading public institutions could receive substantial resources for research and many regional public institutions underwent considerable upgrading. Through this process, the network of research institutions were strenthened and widened. It is undeniable that the public institutions served as

the core of postwar academic advances in various fields of study.

But such a form of development created its own problems. The almost exclusive dependence on the national budget made it imperative for public institutions to be accountable in their expenditures by following strict procedures. The priciple of equal treatment among public institutions necessitated budgets to be distributed in exact accordance to a set of universal standards. This resulted in an extreme inflexibility in budgetary processes. Moreover, since the faculty remained the basis of academic decision making, each individual public institution was left with little room for arbitration. This impaired the ability of planning of individual institutions. A net result of these factors is the absense of the ability of individual institutions to adapt to the changes in environments, which is becoming increasingly important.

Private institutions managed to graduate students at relatively low cost. This implied that their education was generally of low quality, as indicated by poor physical facilities, low teacher/student ratio, etc. The public subsidy enacted since 1972 may have alleviated the situation somewhat-there is an indication that the extent to which private institutions enroll students beyond the legally set standards have declined. But the teacher/student ratio in private institutions showed little change since the public subsidy started, whereas the salary level of staff increased substantially. There is no compelling reason to believe that the private institutions are using the public subsidy more effectively for the purpose of education than the public institutions.

CONCLUSION

Through the discussion above, I argued that some of the significant characterisitics of the present strucure of public-private differentiation were formed in the prosess of postwar development through interaction between postwar policy orientation and demand expansion for higher education. The performance of this structure in the period of economic growth and enrollment expansion can be evaluated favorably in many important aspects. But, as the Japanese economy reached a stage of maturity and the enrollment rate started to level off, the dysfunctional aspects of the present structure have became increasingly apparent.

The present structure of the higher education system thus calls for radical reforms. The recent establishment of the Ad Hoc Council on Education is an indication that this problem is not only realized by higher education experts but recognized by the entire society. The discussion above appears to have suggested that the reform should be based on redefinition of the role of the state in relation to the public

and the private sectors.

The direction of redefinition, however, is still far from clear. It is from this standpoint that I expect the insights to be obtained from scholarly exchanges in this Seminar to make substantial contributions to the search for a more equitable and efficient higher education.

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PUBLIC AND PRIVATE SECTORS IN PHILIPPINE HIGHER EDUCATION

Andrew B. Gonzalez*

Introduction

The purpose of this paper is to present data on public and private higher education differentiation in the Philippines. Data on enrollment, institutional distribution, governance, and financial structure will be presented in summary from. Then brief notes on the historical, social, cultural and economic background as well as ideology and values to explain the consequences for society of the present differentiation will be described.

1. Public and Private Higher Education in the Philippines

1) Enrollment

The present mix in private-public higher education enrollment as of School Year 1945–1985 (the last year when complete data were available) is approximately 85% private-15% public. That is to say, of a total enrollment of 1.5 million students in the Philippines registered for tertiary-level courses (degree courses, two- and three- year non-degree programs), 85% or 1,274,000 and 15% or 230,000 are enrolled in private and public institutions, respectively.

2) Institutional Distribution

The present School Year 1986–1987 counts 1211 institutions (as of last count) distributed throughout the country. Of these 1211 institutions, approximately 2/3 are private and 1/3 public. (In 1985–1986, there were 1158 higher institutions, 838 private, 320 public.) The private institutions are divided into sectarian and non-sectarian institutions, according as they are Church-related or not. In turn, the sectarian institutions are divided into Catholic and Protestant. These institutions were established by their founding churches as agencies of social educational service and for purposes of evangelization. On the other hand, except for a few institutions which have converted themselves into non-stock and non-profit foundations, most

* President, De La Salle University, Manila, Philippines.

non-sectarian institutions were established by heads of families for social educational service and as stock-profit institutions where a return on investment was expected by the founders and presently by their heirs. Tertiary-level institutions are comprised of colleges, institutes, and universities.

As of the last count (School Year 1985–1986), the break-down of institutions is as follows:

PRIVATE		838
Catholic universities	18	
Catholic colleges	142	
Protestant universities	3	
Protestant colleges	16	
Nonsectarian universities)		
Nonsectarian colleges	659	
PUBLIC		320
University of the Philippines System		
Mindanao State University system		
Other chartered state colleges and universities	76	
Non-chartered colleges under the		
Ministry of Education, Culture and Sports	242	
TOTAL		1,158

The University of the Philippines is a system and constitutes the apex of Philippine higher education. It has units in Diliman, Quezon City; Manila; Los Baños; Cebu, Iloilo, Leyte, San Fernando and Clark Airbase in Pampange.

The Mindanao State University system was established primarily for the educational needs of the Islamic cultural communities on the island of Mindanao and has units in Marawi City, Lanao del Sur; Tawi-Tawi; Iligan; General Santos; and several secondary schools.

What differentiates the UP and MSU system and the state colleges and uniersities (SCU's) on the one hand and the rest of the public tertiary institutions is that the former are independently chartered by acts of the legislative assembly and although the Minister of Education, Culture and Sport sits ex officio on the boards of these SCU's, they receive their funding directly as part of the national budget, whereas the tertiary level colleges or institutions under MECS are governed by the Ministry and receive their budgets from the Ministry based on a lump sum budgetary appropriation.

3) Governance

Presently, the Ministry of Education, Culture and Sports has divided the country into thirteen administrative regions (with the National Capital Region of Metro Manila as a separate region). Each region is governed by a Regional Director who is de facto the representative of the Minister for that region. Under the regionalization plan, the Regional Director has full powers for his region, although the extent of implementation of regionalization is not yet complete after more than ten years.

Each region is divided into divisions (a division geographically corresponds to a province in the Philippines, more of less); in turn, every division is divided into districts. The chief executive officer of each division is called a Superintendent and the chief executive officer within a district is called a District Supervisor.

In the early days of American rule, there were so few private institutions that they were all governed from one desk, as it were, under the Secretary of Education; this desk eventually became bureau under a Director. The office was called the Bureau of Private Schools. Historically, private schools grew faster after the War than the education bureaucracy was able to cope with; the Bureau of Private Schools was never properly staffed.

With the reorganization into regions since 1975, the Bureau of Private Schools was abolished. Now private institutions, including those at the tertiary level, are under the Regional Director who usually has an officer directly reporting to him and handling private colleges and university matters.

The Philippines presents a unique case of control without support. In other words, as established by the American colonial government and eventually included in the fundamental law of the land (the Constitution of 1935 and thereafter), the State arrogates to itself the right to regulate all education including private education, without any pledge or promise of financial support of any kind. Indeed, until the Education Act of 1982, Philippine jurisprudence considered state aid to private education as a violation of the principle of separation of Church and State (an importation from the American constitution). Hence, no state aid was given in principle but control of all private institutions has been vested in the Ministry (formerly, Department) since the beginning. This control is for practical purposes total although historically it has been exercised benignly. For example, one needs MECS permission to establish any college or to obtain a charter as a university (based on existing colleges). MECS permits are needed for individual curricula, which include degree programs and major programs; in other words, every time that a college or universi-

ty would like to offer a new undergraduate major, or an MA program or PhD program in any field of specialization, it must apply for a permit from the Regional Director. There is check before the program is offered there is another check at the end insofor as transcripts of records of any graduate must be checked by the Regional Office before 'special orders' can be issues for every individual graduate. Moreover, although lack of manpower prevents the Regional Office from exercising this right too often, technically speaking the Regional Director may send his representative to inspect the college or university or sit in at oral examinations for graduate degrees.

4) Financing

Public institutions receive annual appropriations from the Ministry of the Budget which presents a budget for approval by the legislative assembly. There is a sum annually voted on for the entire Ministry (which would then include individual appropriations for the tertiary level institutions directly under the supervision of the Ministry); there are separate line items for each of the state colleges and universities and the UP system and MSU system. If a state college or university has branches or extensions, appropriations for these branches or extensions are included in the annual appropriation for that institution.

For private institutions, budgets are approved by their respective boards of trustees (for non-stock non-profit corporations) and boards of directors (for stock profit institutions). The respective boards of trustees set the tuition rates, subject to approval by the Regional Director of the Ministry.

It is in the area of tuition where the State exercises genuine control over private institutions and in effect spells life or death for that institution in the kind of tution it permits to be charged and in the explicitly stated uses to which tuition increases are to be applied.

Until 1969 private colleges and universities unilaterally set their tuition rates; students chose the institution the tuition of which they felt most comfortable with. The educational market followed the law of supply and demand.

In 1969 student power became a political reality in Philippine life and tution became the object of protests among students against administrators of schools. Congress then enacted a law (RA 4819) which regulated tuition increases and its uses. Towards the latter half of the decade, it soon became evident that regulating an "industry" as important as higher education becomes counterproductive. Because of

tight restrictions, there was no incentive to open new institutions to meet the demands of an increasing tertiary level population. In the meantime because of its own budgetary limitations and limits on the amount of taxes it could collect, the Philippine government was not really in a position to meet higher education needs by expanding and opening new institutions. The Minister thus introduced the concept of 'deregulation' for private institutions which could make a case for excellence.Another minister brought in the concept of incentives, using accreditation as the means of indicating excellence and tying up accreditation (of different levels) to incentives not only of further deregulation (with regard to many Ministry restrictions and permits as well as tuition increases in an inflationary economy) but even monetary incentives for certain institutions which had achieved a level meeting international standards. At this time, however, although deregulation and accreditation as well as incentives have been enacted as policy, actual implementation is not yet a reality while students and sometimes faculty agitate for tuition freezes on the one hand and salary increases on the other hand. Tution increases at the beginning of each school year in June are a perennial problem which must be met not by the Regional Director but the Minister himself/herself in dialogue with student activists. A recent structure prescribed by the Ministry is the formation of local multisectoral bodies (parents, faculty, administrators, students, nonteaching staff) to decide on tuition increases. One foresees that the students will not agree to increases, even if parents do. Hence, the structure does not seem to be viable.

At one time, by law, the tution increment had to be used this way: 60% for salaries of faculty and staff, 12% return on investment (for profit stock corporations) and 28% for student benefits. A later Ministry directive set it at 70% faculty and staff benefits, 30% for student welfare, with no return on investment. The Education Act of 1982 made these matters moot and academic, as technically speaking for deregulated schools even the uses of the tuition increment may be subject to negotiations among the parties concerned. Suffice it to say that at this time, because of student unrest, there is really no rational way to settle differences; practices differ from institution to institution with the Ministry often having to arbitrate. This is one of the major areas of reform needed in the future. Under these conditions, MECS now has claimed a right to itself to examine books if necessary, to ask for further evidence of a finincial kind (budget performance reports and uses of past increases) before final approval and of course a statement under oath on how the increment will be used. Both deregulation and accreditation are still vague as to application at this moment.

In 1968, from the last of the War damage claims, a small part (US$ 6 million) was set aside to set up a Fund for Assistance to Private Education. This Fund has grown to a capitsal base P72 million (US$2–P20) as of 1986. It likewise receives annual grants from different governmental and non-governmental agencies for promoting private higher education. Considering the large number of private institutions, what FAPE can grant is rather small, program oriented and largely for accreditation and faculty development. If and when a large budget item will be granted to private institutions as an incentive for accreditation, the expected channel of the Government will be FAPE. Presently under the Education Act of 1982 the pivotal role of private higher education in the tertiary education system has been recognized and state aid to private education accepted as a matter of principle, thus in effect reinterpreting the principle of separation of Church and State according to Philippine realities.

Finally, the National Science and Technology Authority (formerly the National Science Development Board), the equivalent of a Ministry of Science, makes institutional development grants to public and private institutions (mostly in consortium) in order to prod these institutions to offer science programs in consortium for regional needs. Again, this was done in significant amounts about five years ago but because of budget limitations this programm has been temporarily slowed down.

2. Background and Ideology Behind Differentiation

1) Historical, Social, Cultural and Economic Background

The reason for the differentiation between public and private higher education dates back to the American Period (there was no such separation between church and State in education during the Spanish Period) and stems from the American experience and the Constitutional provision in the American Constitution on separation of Church and State.

Protestant missionaries arrived with American civil servants and military personnel to contend with an establishment Spanish-oriented Church which was running tertiary schools (for tertiary level, only the University of Santo Tomas granted higher degrees) as well as senior secondary schools leading to the Spanish *bachillerato*. It would have caused no end of resistance if the American colonial government closed down private institutions; after all, even in the mainland, private institutions were allowed but of course were given no support. The American colonial government therefore allowed the continuing existence of the Spanish-oriented schools and the

opening of new schools by Protestant missionaries under the supervision and authority of the Secretary of Education; later, a special bureau for private schools was established under a Director. Until World War II, the number of private colleges and universities was small (87 in School Year 1940–1941). It was after the War when the numbers proliferated in response to the population increase and the inability of the central government to meet these needs (about 90% of the yearly education budget was spent for elementary schooling). The response and *laissez faire* philosophy saw an over-expansion of the school system according to the demands of the students and the low price of certain courses, without regard to country needs, resulting in an oversupply of graduates in certain fields (e.g. business and liberal arts and some medically allied professions like nursing) and insufficient numbers for other fields (pure sciences, vocational technical courses).

This demand for higher education — almost as a right provided one meets the entrance requirements of an institution and provided one is willing to pay the price for it (without depending on government) — is part of the legacy of the American principle of equal access to higher education.

For the Filipino, the attainment of a diploma is a value in itself irrespective of whether or not one attains a job with it. The highly valued objective is to finish one's 'career' (*carrera*) or collegiate course. It has been remarked that for the Filipino, education is a consumer item rather than an investment. This is probably an exaggeration as it is not a matter of either/or but a matter of prioritization. Practicing a profession seems to be secondary to finishing and proving one's worth of having accomplished something — what happens afterwards is a matter of chance, Providence, *Bahala na* ('Let Fate decide!'), and even opportunities offered by family connections. The title is more important than the practice. We had at one time a dentist as movie producer, a medical doctor as director of films, presently we have a medical doctor as head of our Japan language department, scores of lawyers in management (especially personnel), dozens of female doctors who no longer practice, hundreds of engineers in business, and PhD's or near PhD's in management — all gloriously carrying the title 'Dr.' or 'Atty'. (Attorney-at-law).

A person who has finished his collegiate or tertiary course up to the American bachelor's level is one who has finished or completed or achieved something (*natapos*) and who now has learning because he has studied (*may pinag-aralan*). Graduate work except in business is less highly valued. On the other hand, a drop-out is a failure; there is a stigma to the fact that one never did complete one's *carrera* (college

course).

Culturally, social strata carry with them certain rights and privileges. Priority is placed on white-collar professions and on professionalization in general, there is an unwritten taboo against getting one's hand dirty, and an ineptness among middle- and upper-class Filipinos about using their hands. On the other hand, certain domains, even if calling for manual work, carry no stigma against a job (even if it de facto entails manual work); thus even college graduates of upper class origins will work as pursers and stewardesses in airline companies (with no perception of loss of dignity), liberal arts graduates work as waiters and waitresses in five-star hotels and in tourism-related enterprises, teachers act as floor managers in domestic services at a hotel; nurses and medical technogists de facto do manual work; and many of the domestics going abroad are degreed teachers and arts graduates. Hence, the stigma does not seem to be against the nature of the work itself but the perceptions of Philippine society in terms of a hierarchy of valuing.

Date on Philippine graduates indicate that it is students who finish definite grade levels who are financially rewarded (see Arcelo et al. 1983). Thus, grade school graduates do better than those who have little or no elementary education, high school graduates than grade school graduates and those who don't finish high school; the same goes for college — one *must* finish and not be a drop-out.

In fact, one suspects that the attainment of degrees is used consciously as a screening device so that in large companies, as a way of screening people for promotions, a Master's degree in Business Administration (MBA) becomes a decided asset even if the nature of the promotion does not really demand an MBA. The attainment of the degree becomes then a preliminary way of screening people.

2) Ideology and Values

In spite of repeated calls since 1969 to reform Philippine education — following the findings and recommendations of the Presidential Commission to Survey Philippine Education (1970) especially regarding the mismatch between system output and societal needs — few substantive changes have taken place the past seventeen years. One suspects that it is the market more than government and educational appeals which causes fluctuation in demand for courses in this country. Thus, because the market for nursing and medical technologists severely contracted when the US market dwindled because of legal restrictions; enrollment in education went down when there seemed to be an, the oversupply of teachers but is picking up once more (it

ranks third in enrollment in 1986–1987). Because of the Middle East market — until the recent drop in the price of oil — engineering and vocational-technical education enrollment (mostly engineering) went up to number 2, second only to the enrollment of business and commerce. All of a sudden, Computer Science has been attracting the best and the brightest the past five years. However, because the market for the pure sciences is still non-existent except for university teaching, the enrollment is still weak in these fields.

The unwritten rule still seems to be that one must finish at all costs, even if one cannot finish one's first choice; after this, the over-all factor explaining choice is economic opportunity, locally or abroad. The professions which have attracted the most enrollment are earning foreign currency through work abroad (for skilled craftsmen in the Middle East), formal preparation does not seem to be perceived as necessary since there is an informal system of apprenticeship, although graduates of vocational-teachnical schools (which do not attract bright students, who prefer to go into engineering) do end up going abroad. If graduates decided to work locally, a priority is still placed on white-collar professions.

There is a lack of social consciousness on the meaning of research as a function of university — even among university administrators and most faculty — and the need for a research infrastructure for socio-economic development. Hence universities are almost always only teaching institutions, with only a sprinkling undertaking research as one of their integral functions. The excellence of a school university is guaged not by the generation of new knowledge but the maintenance of high (teaching) standards — that is, one has to study and to sweat to attain a diploma in that institution as opposed to 'diploma mills' where one can eventually receive one's diploma provided one puts in the time and pays one's tution.

Under this value system, even while making no demands on research and merely demanding the transmission of knowledge, private education can continue to thrive by offering basic teaching content (necessarily outdated in the sciences and technology and in the quantitative social studies) well and by maintaining 'high standards' without having to do research. The different priorities of government hitherto have distracted the central government from squarely facing up to issues of education and planning, since the public school system is even more besieged with problems of quality almost everywhere, except among a few public and private institutions which have been managed well and have been able to raise adequate financing. A significant and vocal group of academicians have dramatized these issues and called the

attention of those concerned. While bothersome and often wasteful of time and resources, student unrest has likewise brought some of these shortcomings to the fore and has been a stimulus for reform.

3. Consequences

1) General Consequences

The consequences of the system described may be described summarily as a mismatch between the outputs of the system and the manpower needs of the country.

Because of this mismatch, there ia an oversupply of graduates in certain professions and therefore inability of the society to absorb these graduates into the working force (the Higher Education and Labor Manpower Study seems to indicate an average of six months before the first job and for those less blessed almost a year to land; nearly 8% do not seem to find jobs even after a year [Sanyal et al. 1979]). A significant minority find jobs not directly related to their training. This picture, however, does not factor in people who choose to be self-employed or those who decide to continue studies abroad or to work abroad. Thus, there is an oversupply of business graduates (who end up as tellers and clerks), law, liberal arts (non-science) (who end up in the service industries), nursing and medicine (a problem of maldistribution since the rural areas are still in need of nurses and doctors), medical technologists. On the other hand, there is an undersupply of science majors (if nothing else, to provide instructors for science in the school system), competently trained vocational-technical graduates, agricultural graduates of suitable socio-economic status (owning land). There is a geographical maldistribution of graduates of medical, dental and agricultural graduates without any incentive scheme or service plan to place such graduates in areas where they are most needed.

Graduate education is underdeveloped in areas such as engineering and the pure sciences and by and large there is an inadequate supply of research-oriented postgraduate students for the research needs of the country and for staffing higher education institutions. Only 27% of faculty in Philippine tertiary-level institutions possess MA's and PhD's.

Since 39% of enrollment is in business, it would be safe to say that business seems to be the form of general education for most Filipino students.

Because the system developed following the market imperatives of the law of supply and demand in a laissez-faire system, the most popular courses are also the least expensive (except for the medical allied sciences), and the least popular the

most expensive (pure sciences) and the least financially rewarding.

It is not clear if the oft quoted cliches about the 'educated unemployed' and the 'revolution of rising expectations' apply to the Philippines since it would seem that Filipinos look on education more as a social grace than a passport to a living; the extended family kinship system is more functional for employment; graduates do not blame their schooling or training for their lack of jobs; graduates seem content being downgraded from engineers to technicians, business graduates to clerks, arts and humanities graduates to the service industries.

2) Specific Cosequences for Society

For Philippine society as a whole, the system of education has achievd equity but at the expense of quality. Institutions ranging from the most excellent (meeting international standards at the undergraduate level and for some programs [especially agriculturally-related sciences] at the graduate level) are available for all students of various abilities (provided they rank at least among the 45%ile examinees in the National College Entrance Examination) and of differing financial capability. Students from less affluent families may enroll at the University of the Philippines system (if they attain the requisite cut-off scores) or at the state colleges and universities or some of the low-tution private colleges and universities.

The problem, however, is that tuition is often an indicator of quality, that is, the higher tuition schools (except for the University of the Philippines) are also the better schools. And at the University of the Philippines, with its subsidized tuition, students from affluent secondary schools are at a decided advantage in gaining entrance because of their adequate preparation. Every private institution has scholarships available for less affluent students, but of necessity these have to be few vis-á-vis the total enrollment.

Thus, one positive feature of Philippine higher education as a result of the dominant role of private education is accessibility.

The negative features, however, are the lack of quality in most Philippine institutions, the lack of common standard (and expectations) among institutions, and the lack of a tradition of research to meet the higher technical manpower needs of society and to suppy the cadre of high-level manpower to staff the country's colleges and universities.

In addition to the grave problem of quality and lack of genuinely specialized students at the graduate level, the present system reinforces undersirable values which

give preference to white-collar jobs and to avoid blue-collar jobs, which put little premium on the value of manual work to attain a proper degree of technological development, and which has resulted in the poor development of the sciences (including the applied sciences and appropriate/indigenous technology), inadequate maintemance of technical facilities, and the continuing loss of highly trained manpower (especially in the sciences and technology) to the West or to more lucrative market in the East.

The system at present needs not so much a close look (for it has been studied very carefully since 1969) but the political will to call a halt to the *laissez-faire* ideology which has driven it at present and to provide for a rationalized system based on careful planning and integration as well as complementation between private and public higher education.

4. Policy Considerations

In reforming Philippine higher education, a task which the Ministry of Education, Culture and Sports has been attempting since 1969 (the year of the Presidential Commission to Survery Philippine Education) and which is the focus of the newly appointed Board of Higher Education (organized in late 1986), policy considerations naturally fall under the following priorities:

1) Defining the Role of Private Education in Philippine Higher Education

At the level of policy, the Ministry must define for Philippine society its policy on what proportion of Filipinos should be enrolled in tertiary education. De facto by a *laissez faire* policy in higher education, Philippine society has allowed the free play of the market and has let supply and demand determine enrollment.

The next question that the Ministry must explicitly answer has to do with the proportion it would like to see between public and private higher education. The present proportion may be changed or kept at its present level, depending on this choice.

A third definition that must be formulated has to do with the type of intervention the State would like to exercise in a free market for higher education. The intervention, it seems logical to suggest, would be to fill in lacunae and to offer facilities and incentives for students in neglected areas such as science, higher techology, agriculture, vocational-technical, and grauate education.

2) Quantity and Quality

The present largely *laissez faire* policy of the Philippine government on the establishment of tertiary-level institutions since the end of World War II has made access to some type of tertiary schooling open to every Filipino secondary-school graduate in both and non-degree programs, at various price ranges, including at State colleges and universities which charge at most a nominal fee and which offer a variety of scholarships in addition.

It is quality, more than quantity and accessibility, which needs attention.

To improve the quality of Philippine higher education, an exisiting ruling of the Ministry that no one may teach at a college or university without at least a master's degree has to be enforced.

The single most important change that can trigger systematic reform would be to intervene with regard to graduate education: setting up centers through consortia, in the process creating the beginnings of a tradition of research.

Another type of intervention would be to set up a system of incentives for quality education under this free market system. The Education Act of 1982 has already laid the legal foundations for future institutions: all future educational institutions must now incorporate as nonstock, nonprofit organizations. In the meantime, for institutions which have attained various grades of accreditation,'a system of motivational aids has been instituted, including the privilege of being deregulated or freed from excessive monitoring by the Ministry and in the case of institutions which are attempting world class standards, outright grants through the Fund for Assistance to Private Education.

While accessiblity has done away with elitism, another kind of elitism, the elitism of quality and the aristocracy of the mind and research, must now be targeted, and the political will mustered to make this goal a reality.

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PAST, PRESENT AND FUTURE TRENDS IN THE PUBLIC AND PRIVATE SECTORS OF KOREAN HIGHER EDUCATION

Kwan Lee*

1. Introduction

The question of the present status of university education in Korea cannot be viewed as an end in itself but only in its relation to the context of the overall structure and the governance of Korean University education in the past, the present and the future. The structure of higher education in a given country and its governance systems result less from central planning and much more from a process of evolution in that particular country. The process of evolution of university education with multiple variables is immensely complex and when this is examined against the difference in public and private sectors, this complexity increases. However, here one must accept the premise that educational institutions exist within the context of societal realities.

Higher education in Korea has a history of some 1,600 years if we trace its history back to the period of the Three Kingdoms. The history of the modern education system which was introduced to this country and modified from the western education system has built up a tradition of one hundred years. Even if we consider it as a later stage in an evolutionary process, that is from the 1945 era, it has already gained forty years of experience. The tradition of the past may be considered either a worthy legacy which we inherited or a debt which we need to modify.

This report aims to facilitate understanding of problems in both the public and private sectors of the Korean higher education system from the historical point of view and to examine how the present has evolved from the past and how the future will evolve from the present.

2. The Historical Background of Higher Education in Korea

1) The Origin of University in Korea

We will be faced with the two different streams of universities originated in Korea if we carefully trace back the evolution of the educational system. One origin-

* President, University of Ulsan, Republic of Korea

ated from the traditional style university of the Yi Dynasty which inherited the Chinese tradition and the other is the modern university which was designed after western models.

(1) The Traditional University

The origin of the higher education system in Korea can be traced to the period of the Three Kingdoms, i.e., Sylla, Koguryo, and Baekje. In 372, the 'Taehak' or Great School, which marks the beginning of higher education in Korea was established by the Koguryo Dynasty.[1] Since Koguryo lay adjacent to China geographically, Chinese characters had been introduced with Confucianism and 'Taehak' was an educational institute similar to the 'Wu Hseh' of the Chou Dynasty of China.

After the Sylla Dynasty had succeeded in unifying the Three Kingdoms, the 'Kukhak' requiring nine years to finish the full course of study was established in 682.[2] The 'Kukhak' modelled after the educational system in Tang Dynasty of China aimed at the study of Chinese classics and it became a gateway to the appointment of government officials in 788. The government provided 'Kukhak' with the right of taxation to raise revenues for educational expenditure.

The Koryo Dynasty (918–1392) which followed the Three Kingdom Era, established 'Kukjagam' in 992, paving the way for civilian supremacy.[3] In the eleventh century, however, fears of foreign invasion were constantly increasing and the national higher education system based on 'Kukjagam' became inactive.

In 1055, a former prime minister, Choi Chung, who was called 'the Confucius of the East' set up a highly successful private higher educational institute. Under his influence other great scholars followed his pattern to found twelve private institutes. These private institutes were well-organized and well-planned educational institutes.

It is interesting to note that during this period more government officials were produced from the private sector due to their successful preparation for state examination under the scholars eminent in Confucianism.

The transition from the Koryo Dynasty to the Yi Dynasty (1392–1910) was not so much a socia-cultural revolution as a political one by the military without bringing about any change in the basic social organization and system. One exception was the stagnancy of Buddhism, which flourished during the Koryo Dynasty, resulting from the new government's deliberate oppression. Instead, Confucianism prospered and permeated deeply into every-day as well as politics. So it was inevitable that the educational system developed under its influence.

The educational system of the Yi Dynasty was modeled after that of Koryo

Dynasty. Sung-gyun-gwan was established in 1398[4] It was the highest national educational institution and also the gateway to Gwa-go, the state examination. It is noteworthy that it enjoyed a considerable degree of autonomy. Sometimes students participated in Gwan-dang (refusal to enter the dining room), So-heng (street demonstration), Bok-gwal (sit-in demonstration in front of the palace) and Gong-gwan (group refusal to study) to achieve their purposes. There was no fixed educational term, so that to pass the state examination meant to graduate. Students could get one point simply by appearing at the table for breakfast and supper each day, and after receiving 300 points they were qualified as applicants for Gwan-si the higher civil service examination. Sung-gyun-gwan was managed with the full support of the state, and contributed to the political development and advance of culture as the head temple of confucianism and the highest educational institution for civil officers.

(2) The Introduction of the Modern University

With the conclusion of the Kangwha Treaty with Japan in 1876, Korea opened her doors to the world exposing herself to modern influences. From this moment till the colonialization by the Japanese government in 1910, Korea was faced with severe trials for 35 years and this period is called 'the modernization Era' of Korean history. From the view-point of culture, she was too heavily overlaid with Confucianism to be progressive. However, during this period, Korea made a desperate effort to modernize through the introduction of western culture to her depressed society. There was a severe conflict between the conservatives and the progressives, a swelling tide of nationalistic resistance movements against foreign invasion arose throughout the nation.

Toward the end of the nineteenth century the massive influx of western culture brought about a thorough revision of the traditional education system. There appeared three mainstreams of higher education, and the first type were state supported institutions. To meet the national and social needs of this period, public institutions such as the normal school (1895), law school (1895), medical school (1899) and an institute of commerce and agriculture (1904) were established and they became constituent colleges of the Seoul National University in 1946.

The second type consisted of those institutions set up by the early Christian missionaries. The Ewha Women's University which celebrated its centenary in 1986, is widely known for its scale and tradition and it was founded by the wife of an American missionary in Korea. A boarding school founded by the Presbyterian Church in 1886 developed into the Yonsei University, one of the leading private universities in

Korea.

The third type included private independent institutions founded by patriotic indigenous leaders. Among private institutions set up with national encouragement during this period, a private institute named 'Boseong' School became the predecessor of the 'Korea' university, another leading university. As the Japanese colonialization proceeded, mission schools joined with other private institutes in promoting nationalism. The private sector in the period of modernization became a breeding ground of nationalism.

2) Higher Education in the Colonial Period

Japan colonialized Korea in 1910 and this lasted until 1945. In the early days of the colonialization, establishment of the private institutions was severely restricted and the control of private as well as public institutions was tightened. The Korean Educational Ordinance in 1911 fixed the period of education as eleven or twelve years (in Japan; 15 to 17 years) and limited higher education only up to junior college level. By the Ordinance, the authorization of the degree awarding institution by Soong-sil Academy, granted by the former Korean Government in 1907, and another by Ewha Academy established in 1910, was annulled. And the "movement of civic university establishment "[5] proposed by the national leaders was not successful. Furthermore, Sung-gyun-gwan, the national institution founded in 1398 with undisputable academic tradition throughout the Yi Dynasty was closed down in 1911.[6]

When the revised regulation of private institutions was promulgated to reinforce control over the private institutions in 1915, the 'Federal Council of Missions' in Seoul protested against the regulation. This paved the way for the authorization of Yeun-hi Junior College which was managed by a school juridical foundation consisting of missionaries from the U.S.A. and Canada. In the same year, Severance Medical College, managed by still another joint Christian foundation, was also granted a charter. Thus the groundwork was laid for the modern higher education in Korea. The development of Junior colleges during the colonial period is as shown in Table 1.

The impact of the 1919 Independence Movement of Korea expedited the Japanese Government to reorient to a reconciliatory policy, which resulted in the Second Korea Educational Ordinance in 1922. By the Ordinance, the period of education extended from 11–12 to 15–17 years, so that the theoretical possibility for degree awarding institutions arose. The most remarkable epoch-making event during this

Table 1. Development of Junior Colleges (1910—1945)

Year	Classification	No. of Junior Colleges	No. of Students
1912	Public	1	93
	Private	0	0
1919	Public	4	474
	Private	2	111
1923	Public	5	1,061
	Private	3	445
1931	Public	5	1,202
	Private	8	1,623
1940	Public	8	2,350
	Private	10	2,871
1943	Public	9	3,033
	Private	11	4,025

period was the establishment of Kyungsung (Seoul) Imperial University.

In November 1922, 46 national leaders organized the preparatory committee for the establishment of the 'civic university', and a supporting committee meeting was held at the Seoul YMCA in March 1923, commencing the fundraising campaign and the organization of local chapters. However, this 'civic university movement' was crippled by the promulgation of the Kyungsung Imperial University Ordinance in May, 1923, the opening of the preparatory course in 1924 and the opening of the Faculty of Law and Literature in 1926. The effort to up-grade junior colleges run by the missionaries to degree awarding institutions ended in a failure. Table 2 shows changes in the number of students at Kyungsung Imperial University.

To conclude, since the introduction of the western educational system in 1880 until the end of the Second World War, there existed only one national university

Table 2. Number of Students at Kyungsung Universitiy (1924—1943)

Year	Number of Students		
	Korean	Japanese	Total
1924	44	124	168
1930	183	335	518
1936	129	307	439
1943	335	444	779

and no private colleges obtained the status of degree awarding institutions. Nevertheless, it is worthy to note that between 1930 and 1935, private junior colleges tried to insure substantiality and the bases for future leading universities were firmly established during this period.

3) The Evolution of an Open Policy of Higher Education

The period of the U.S. military government for three years right after the end of the Second World War in 1945 and the period between the Independence of the Republic of Korea and the breaking out of the Korean War on 25 June 1950 can be called the preparatory period of the new educational system and also a period of drastic change of the educational policy, although the country was divided into two parts.

Since 15 Aug. 1945, the higher education policy under the U.S. military government made a sharply positive contrast with that of the Japanese colonial government. In short, the new policy was modelled after that of the United States which is extremely liberal as far as higher education is concerned. By the fortuity of history that the model of the new higher educational system was that of the U.S., a decisive influence has been exerted on the evolution of higher education in Korea.

After 1945, many landowners who had anticipated the land reform were pleased to donate their lands for establishment of private institutions. Their motivation was considered as an expression of pure patriotism to promote the national education. But not every measure taken was to be justified if we go through the history of the evolution of the private institutions. As a matter of fact most of the higher educational institutions were founded without referring to a set of qualitative standards.

To conclude, the historical significance of the extremely liberal higher educational policy during this period may be summarized as follows:

(1) It accelerated the expansion of private institutions which became the backbone of the present higher education in Korea and this also became a primary factor in the quantitative expansion of higher education.

(2) It resulted in tacit approval of the establishment of sub-standard higher educational institutions and gave the authorities an excuse for tightening the control of higher education in the later years.

(3) It ignored the positive encouragement of higher education and contributed little to its promotion, although it had a minor expansive effect resulting from the laissez-faire policy.

The characteristics of the higher education system in Korea reorganized during

this period are as follows:

(1) Introduction of the U.S. educational system.

(2) Foundation of the Seoul National University on 22 Aug. 1946, which consisted of Kyungsung Imperial University and other public junior colleges of various disciplines located in and around the City of Seoul at the time.

(3) Three private universities, Korea, Yunsei and Ewha Woman's university, were formally chartered in 1946. The predecessors of the three universities had played leading roles in the development of modern higher education since its infancy in Korea.

When the Republic of Korea declared its independence in 1948, there were 42 higher educational institutions, 1,265 teaching staff and 24,000 students (Table 3).[7]

Table 3. Number of Higher Educational Institutions in Korea (1948)

	University	College	Junior College	Total
National	1	3	0	4
Public	0	4	0	4
Private	3	16	4	23
Total	4	23	4	31

4) The Establishment of Provincial National Universities and Boom in Higher Education

One of the most epoch-making events during the Korean War was the opening of the War-time Combined University which was organized on 4 May 1951. It was established in order to carry out university education in a place of refuge during the War. In particular, it had significance in serving as the momentum for establishing the provincial national universities. The number of students enrolled in the University were 4,268 in Pusan, 377 in Daejun, 1,283 in Jeonju, 527 in Kwangju, totalling 6,455.[8] It was closed in May 1952 after only a year of operation. The operation of the War-time Combined University resulted in temporary decentralization of university education which had been centralized in Seoul since the days of the Yi Dynasty.

Kyungbuk, Jeonbuk, and Jeonnam National Universities were established in 1952 and Pusan, Chungnam, and Chungbuk, National Universities in 1953, and Cheju National University in 1955. The establishment of the National Universities in the

provinces filled the vacuum caused by the closing of the War-time Combined University, providing students from the provincial areas with a better opportunity for higher education and also affording an opportunity of decentralizing the culture. It could be regarded as quite exceptional in the history of university education in the world that so many national universities were set up in provinces during wartime.

About the same period when the national universities were established, a number of private universities were established as well. In the period between 1952 and 1954 expansion was greater than ever before in the history of higher education in Korea. The liberal policy of higher education met well with the exceptionally high

Table 4. Status of Higher Education in Korea (1955—1986)

Year	Classification	Institutions								No. of Students
		University	College	Teachers' College	Junior Vocational College	Junior College	Junior Technical College	Mid. School	Total	
1955	National	5	3			0		0	8	30,515
	Public	1	3			1		0	5	4,695
	Private	9	24			5		20	58	43,442
	Total	15	30			6		20	71	78,649
1965	National	6	6	14		0	1	6	33	33,400
	Public		2	0		3	8	5	18	9,470
	Private	12	44	0		51	5	21	113	112,615
	Total	18	52	14		54	14	32	164	155,485
1975	National	6	8	16	14			2	46	78,208
	Public		1		20			0	21	6,124
	Private	19	38		53	10	1	16	137	199,017
	Total	25	47	16	87	10	1	18	204	283,349
1986	National	10	11	13	17				49	285,938
	Public	1	0	0	0				1	5,165
	Private	35	43	0	103			25	206	971,390
	Total	46	54	11	120			25	256	1,262,493

social demand for higher education. Although the boom in higher education in this period had similar characteristics with that under the U.S. military government, the privilege of Student Conscription Deferment effective from February 1950 until November 1956 exerted an important effect on university education during the period.

While it is true that higher educational institutions established during the confusion of the Korean War lacked qualified teaching staff, facilities and all other educational resources, it was generally assumed that this situation had excusable premises. These premises have adversely affected the qualitative aspect of higher education in Korea ever since, irrespective of sectors, public or private.

Table 4 shows the status of higher education during the period 1955 to 1986.

3. The Autonomy and Control of the University

1) Autonomy and Control

The autonomy of the university varies with state, times and the society, and even in a given country it varies distinctively among the national/public and private sector. If higher educational institutions put more stress on the function of teaching than that of research, the autonomy is likely to be more limited. The control of higher education in Korea has changed in accordance with the changes of the educational policy of the government. Since the liberation from Japanese rule, the main stream of the educational policy had been liberal towards the end of the fifties as a reaction against the repressive policy under the colonial government. During this period, the supervision of higher education was only ceremonial and not effective even in the execution of the control specified in the law because of the passive attitude in enforcing the weak administrative power.

However, after the military revolution in 1961, the liberal educational policy was put to an end and the new policy of reform of the educational system with increasing control was pursued. The extensive and radical reforms of the revolutionary government characterized by closing down the sub-standard or marginal higher educational institutions ended in failure. This was followed by a partial and gradual approach to reform and the government has gradually tightened its administrative grip over the national/public and private sectors of the higher educational institution since then. As a result, every phase of higher education such as ideology, curriculum, staff, student, facility and finance has come to be controlled by the ministry of education, which has aroused controversy on the question of autonomy and control.

2) National Universities

Even in the national and public universities under direct control of the Ministry of Education, the method of control is always at issue but a matter of vital importance is the subject of appropriateness of the organization for governance. When the Seoul National University was founded in 1946, a board of directors was formed but because of the indifference of the Ministry of Education towards the autonomy of the national universities, the board became merely nominal and was annulled completely in the process of formulating the education law.

A report[9] on the national universities recommeded government to take a second look at the board of directors as a means of efficient operation of the national universities. In the 1970s, the planning committee of the Seoul National University

made another attempt in this connection, but failed.

3) Private Institutions of Higher Education

One of the characteristics of higher education in Korea is that the proportion of higher education shared by the private sector is much greater than that of the national and the public sectors. This can be clearly seen from Table 5. Therefore, it appears to be meaningless to discuss higher education without taking the private sector into consideration. The major difference between the national/public and private sectors in the nature of its governance is that the private sector is not only controlled by the ministry, but also by the school juridical foundation which is responsible for the establishment of a given institution.

Table 5. Share of Private Sector in Higher Education in Korea (1986)

Classification			Institutions	No. of Students
Institutions of higher education		Grand Total	256	1,262,493
		Private	206	971,390
		(%)	80.4	76.9
Four-year Institutions	College & University	Total	100	971,127
		Private	78	724,351
		(%)	78.0	74.6
	Teacher's College	Total	11	21,106
		Private	0	0
		(%)	0	0
	Total	Total	111	992,233
		Private	78	724,351
		(%)	70.3	73.0
A Short term Institutions	Junior College	Total	120	250,652
		Private	103	227,431
		(%)	85.8	90.7
	Mis. School	Total	25	19,608
		Private	25	19,608
		(%)	100	100
	Total	Total	145	270,260
		Private	128	247,039
		(%)	86.2	91.4

The 'education law' stipulates the operation of the private higher educational institutions, while school juridical foundations are controlled by the 'private school law'. When the private school law took effect in 1963, the board of directors of the

school juridical foundation was given the right of appointing the staff, including the president, and financial control over the private higher educational institutions.

Shortly after the start of the Fifth Republic in 1981, the private school law was revised (28 Dec. 1981) on a full scale in order to prevent the fraudulent operation of the school juridical foundations and the excessive interference of the foundations in the private higher educational institutions. Accordingly, through this revision, the power of appointing the teaching staff and the financial control were transfered from the chairman of the board to the president of the private higher educational institutions. The presidents were supported by the financial and the personnel committees which consist of teaching staff. In the case of the financial committee, one director of the board was to be present. The 1981 revision enabled the teaching staff of the private institutions to fully participate in the management of the higher educational institutions and this fact may go down in the history of education in Korea.

However, on May 9th, 1986, the Korean government revised the private school law once again to abolish the financial committee and returned the power of the financial control to the hands of the board of directors of the school juridical foundation. As far as private higher educational institutions are concerned, the 1986 revision of the private school law may be considered as a retreat from granting autonomy to the private institutions.

The critical situation that the Korean peninsula is divided into two parts made it inevitable for the government to intervene in the affairs of higher education for national security. Major issues in higher education in Korea are related to political, economic and social conditions of the nation. Thus, the issues need to be addressed with those non-educational factors taken into consideration.

Nevertheless, the fact that the Ministry of Education reserves such rights as the veto of the appointment of the president of the private institutions and the directors of the board of the foundations is a point at issue and may engender serious conflicts resulting from the limitation in granting autonomy to private institution of higher education.

4) Establishment of the Korean Council for University Education (KCUE)

KCUE was established in April, 1982 as an autonomous council with all the 97 four-year universities and colleges as its members. The full significance of KCUE in the history of higher education in Korea can be fully grasped only when one understands that it marked a new era of voluntary cooperation among member institu-

tions, following the long period of control by the central government since 1945.

Over the years, the evaluation of the performance and the integrity of universities and colleges had been developed slowly and since 1945 it went through three stages of development.[10]

Before 1960 the evaluation of a university had been conducted by the Ministry of Education as a means of administrative supervision over the universities and colleges. Hence, the evaluation had the characteristic of inspection and control. The target institutions were mostly private institutions which had encountered problems in academic or financial affairs since the middle of the fifties.

It was the introduction of the 'pilot institute scheme' in 1973 that began to bring about changes in the bureaucratic system of evaluation. That is, in evaluating some restrictively selected institutions to be permitted as pilot institutes, the Ministry of Education, for the first time, broke away from the traditional bureaucratic system and organized the evaluation committee with professors in various specialities. While all the planning and administrative support was under the leadership of the government, the practical evaluation was conducted by the academics. This finally resulted in a cooperative evaluation system by the government and the institutions.

It is remarkable that nine universities (Korea, Yonsei, Seogang, Inha, Ewha Woman's, Ulsan, Sungsim Women's, and Chungang) out of ten selected as 'pilot institutes' were private universities. It is worthy to note that private institutions played leading roles in the educational reform in the seventies, although some of the private universities were criticized for their mismanagement in the fifties and the sixties.

In the eighties, a series of measures taken for educational reform including the revision of the private school law in 1981 and the establishment of the KCUE marked a turning point in autonomy among higher educational institutions. In accordance with the legal provision, university evaluation was transferred to the KCUE from the Ministry of Education. And the possibility of government control and intervention has been eliminated in principle as far as university evaluation is concerned, irrespective of its sectors, national/public or private.

4. Finance of Higher Education

1) An Outlook of the Financial Situation of Higher Education

The restoration of educational rights after the Second World War, the emphasis on the principle of equal opportunity for education, the baby boom in the fifties after the Korean War, national expectation for educational investment since 1960s, and

the liberal government policy in higher education spurred the social demand for education. The number of students in higher education per 1,000 inhabitants in Korea as of 1984 was 29.4.

The educational investment, directly affects the effectiveness of education. Analysis of the current situation of educational finance in Korea has brought to light the following problems: the small volume of the total educational finance, inadequate educational expenditure per student, a heavy burden on students and their families, and financial weakness of the private school juridical foundations.[11]

Table 6 shows the revenues of higher education in 1985. As the table illustrates, approximately three quarters of the revenue in higher education is from the tuition and fees of the students and in the case of the private sector it covers almost 82.3% of the revenue. It is perfectly plain that many problems that confront education in private institutions originate from the scantness of financial resources. Students in the private sector have to bear 82% of the costs with only one percent of government aid, while students in the national/public sector bear 50% with 46% government support. Students in private universities have to pay $300 to $400 more than their counterparts in national/public universities for their tuition and fees per student

Table 6. Revenues of Higher Educational Institutions ('85)

unit: million in US $

Classification	Total (%)	National/Public (%)	Private (%)
Total	1,439 (100.0)	392 (100.0)	1,047 (100.0)
Tuition & Fees	1,055(73.4)	194(49.6)	861(82.3)
Government Aid	191(13.3)	181(46.1)	11(1.0)
Grants & Research Contract	58(4.0)	–	58(5.5)
Endowments	12(0.8)	–	12(1.1)
Fees & Income	10(0.7)	0.1(0.0)	10(1.0)
Other Income	112(7.8)	17(4.3)	96(9.1)

Table 7. Tuition and Fees per Student ('85)

unit: US $

Classification	Junior College		Teacher's College	Colleges & Universities	
	National & Public	Private		National & Public	Private
Freshman	649	880	458	1,010	1,340
Sophomore-Senior	593	807	458	920	1,340

Table 8. Expenditure Structure of Higher Education Institutions ('85)

unit: %

Classification	Total (million US $)	Personnel Expenses	Operation Expenses	Facility Expenses
Junior Colleges	229	42.8	30.8	26.4
National/Public	34	46.6	30.6	22.8
Private	195	42.1	30.8	27.1
Colleges & Universities	1,283	41.6	35.7	22.7
National/Public	363	52.5	28.1	19.4
Private	920	37.3	38.7	24.0

as shown in the Table 7 for 1985. Table 8 shows the expenditure structure of higher educational institutions in 1985.[12]

As shown in Table 8, 37% of the total amount of the budget is allocated to personnel expenses in private universities, while more than half of it is shared for personnel expenses in national/public universities. The higher proportion of personnel expenses of national/public universities indicates that the staff/student ratio is favourable in comparison with that of private universities. The ratio of administrative staff in national/public universities is 1.5 times larger than that of the private universities. Laboratory space per 100 students is 4.07m^2 for national/public sector and 2.72m^2 for private sector.

2) Financial Aid to Institutions of Higher Education

(1) Industrial Groups and Private Institutions

As is clearly reflected in Article 44 of the Private School Law, the Korean government encourages the furtherance of technical education. Due in part to such government policy, some engineering colleges and universities are directly financed and managed by industrial groups. This characterizes a group of private institutions in Korea as illustrated in Table 9:

(2) Government Investments toward Specialized Engineering Colleges of National Universities

As a part of its policy to promote the heavy and chemical industry for the period from 1972 to 1984, the Korean government chose, as the target of its investments, seven engineering colleges of provincial national universities. From '73 until '83, the government spent approximately 15.4 billion won for buildings, 12.5 billion for laboratory equipment and 1.8 billion for Laboratory maintenance. Although such

Table 9. Universities Financed by Industrial Groups

unit: million in US $

Institution	Supporting Industrial Group	Total Sale in '85
Univ. of Ulsan	Hyundai	15,790
Aju Univ.	Daewoo	7,255
Kukmin Univ.	Ssangyong	3,447
Inha Univ.	Korean Air	2,129
Pohang Inst. of Sci. & Tech.	Pohang Iron & Steel	2,378

investments contributed to enhancing the quality of the educational facilities of the national universities, they are also responsible for widening the gap between the national/public and private sectors as regards to the educational facilities.

(3) Educational loans

Economic development as it was reaching its peak in the 1970s, heightened the importance of education's roles in meeting the rising demand for skilled and high-level manpower. Society was caught up in a dynamic process of change which necessitated a similar change in the educational systems in term of both quantity and quality. To effect this change, the Korean government searched for a new source of educational financing.

Foreign loans have been the major sources of educational financing to accomplish the needed changes in the educational systems. To date, the total amount of foreign funds invested in educational development has reached the 380 million dollar mark. This accounts for 3.86% of the total educational budget and 2.33% of loan funds invested in other sectors of economic development.[13]

Let us now take a look at the foreign loans invested in financing higher education. As table 10 shows, 60.9% of the total amounts of foreign loans invested in junior colleges went to national/public institutions, while only 39.1% was invested in private junior colleges. In the category of four-year colleges and universities, national/public institutions amount to 56.4% of the foreign loans. On the other hand, private institutions shared only 43.6%. Considering, however, the fact that 80.4% of the institutions of higher education are private and that 76.9% of the college and university students belong to the private sector, we cannot but conclude that disproportionately large amounts of educational loans were invested in national/public colleges and universities.

Table 10. Investment of Foreign Loans in Higher Education (1969—1985)

unit: US $

Classification	Amount of Foreign Loans	%
Junior Colleges	44,264,009	100
National & Public	26,940,009	60.9
Private	17,324,000	39.1
Colleges & Univ.	245,838,055	100
National & Public	138,792,532	56.4
Private	107,045,523	43.6

3) Tuition and Fees of Private Institutions

As was mentioned earlier, tuition and fees are the main source of income for the private institutions. Decisions on the level of tuition and fees therefore assume a great importance as a policy issue involving the educational quality of private institutions.

One of the issues in this regard is that tuition and fees of the private institutions far exceed those of national/public colleges and universities. In its attempt to narrow the gap, in 1981 and 1982, the the Korean government took measures to substantially raise the tuition and fees of the public institutions. Thus in '82 fees were raised to the point where they reached 70% of those of private schools, in contrast with 40% in previous years. As of 1985, the difference in their respective tuition and fees amounts to as much as 300 to 400 in US dollars (cf. Table 4).

The second issue is that the rate of tuition increase is determined as a part of the commodity price policy for the general society since tuition fees take up a significant portion of the household expenditure. Nevertheless, tuition and fees have little pervasive effects on the prices of staple commodities. Therefore, they can be exempt from the strict control of the price policy.

In an effort to solve the issues, in November 1985, the Korean Council for University Education proposed to the Ministry of Education that a 'tuition and fees adjustment commitee' be set up within KCUE and that tuition and fees of the private institutions be placed under its control. However, the proposal has not yet produced any visible results.

4) Public Finance and Private Institutions

Until the end of the 1950's public investment in compulsory education and post-war reconstructions made it almost impossible for the Korean government to support the private educational sector financially. In the sixties, however, in a marked departure from its previous indifference and neglect, it adopted a positive policy of control and support of its private institutions. Accordingly, the Private School Law was promulgated and, by Article 43, private school foundations now became eligible for subsidies and other forms of financial help from the local and central governments. In the seventies, other measures were also taken such as various tax reductions and exemptions, and the enforcement of the Private School Teachers' Pension Law.

In 1981 and 82, the government provided the private colleges and universities with bank loans amounting to one billion US dollars for the construction of required building and also gave subsidies to cover the interest of the loans amounting to 80 million US dollars so far. The Ministry also provided the private junior vocational colleges and colleges of engineering of the universities with the amount of roughly 50 million US dollars to upgrade their laboratory facilities between 1982–86. The government is also subsidizing parts of the premiums of the pension scheme (1973) and health insurance scheme (1977) for the staff of private educational institutions.

5. Issues and Prospects

1) Diversity and Autonomy

In a free democratic society, balance is maintained through a multi-dimensional value system and such a diversity should also be fostered in the field of education. However, the national/public sector of higher education is limited in scope of educational activities due to its intrinsic attributes and the private sector is thus needed to compensate for this and to pursue diversity in the goals and the philosophy of education.

If it is at all possible to establish and maintain all the higher educational institutions with public finance, an ideal system might be the one in which the government renders full financial support as well as a high degree of autonomy to the institutions. However, in most countries the public educational finance cannot actually equal the huge financial resources required for the establishment of institutions and their operational expenses, which tuition alone certainly cannot satisfy. This is the case with Korea and private higher educational institutions assume the role of supplementing the limitations of financial capability on the part of the government. This

is not the only raison d'étre of private higher educational institutions in Korea, nevertheless it is undoubtedly a very important justification for their existence.

It may be safe to say that the roles assumed by the private sector in higher education in Korea have not been properly evaluated by the government and the general public. This has emerged as an important issue. There is another conflict resulting from control without financial support on the part of private institutions. It may be proper that the government exercises control over the national institutions of higher education since they are funded by the national treasury. In the case of the private institutions, however, they are under the control of the government without any financial aid from the government.

Still another issue has come about with the transiton from centralization to optimal decentralization. Through the sustained growth and the development during the last 40 years, institutions of higher education have developed their competency in autonomous policy decisions regarding higher education. As a result, opinion is on the rise that policies regarding higher education which have previously been made by the government, be left to the discretion of the institutions themselves.

Universities cannot consummate their intrinsic functions, unless they are allowed to govern themselves. In other to promote autonomy, the educaion authorities should be given a free hand, leaving many administrative affairs to the care of respective autonomous authorities. As mentioned earlier, since 1946 it has been suggested that national universities will have to organize a board of directors, and thus be released from direct control of the government. Even if national universities have the same management system as private ones, the Ministry may be able to keep them under its effective control.

Private universities should exert themselves to strengten their self-imposed control in order to enhance their diversity and promote public service and interests. One way of doing this will be to organize a 'National Council for Private University Management',[14] whose status and function ought to be similar to those of the Korean Council for University Education and whose establishment should have legal status.

Although there are grounds for reasonable optimism concerning the progress of reorientation towards autonomy, several vital and unique factors will determine the rate of achievement. In Korea, the harsh reality of North-South confrontation with its threat to security assumes major importance in all decisions, great and small. Added to this we have a volatile political situation as well as unrest among some students, all of which unfortunately gives strong impetus for some degree of continued

government controls.

2) University Finance

It goes without saying that university finance should be stabilized. But the fact that the substantial power to draw up the budget for higher education is given outside the Ministry of Education to the Economic Planning Board, which controls the national budget, makes it very difficult for the univeresity to secure stable financial resources.[4] Due to the application of the Public Accounts Law, national universities cannot lose rigidity in their financial management. Therefore, revision of the present system is required so that the financial management can be carried out more effectively and flexibly.

The starting point for setting up an improved financial policy for private universities is to make a thorough and careful overview of their finances. In other words, the direction of the policy should be decided on the basis of the true importance that private universities have in Korean education and their financial conditions. It is undesirable that the financial policy of making public education the prime object be based on the false premise that private universities are only substutites for the national ones by reason of the latter's extremely limited capacity.

In the light of the financial condition of private foundations, improvement should be focused on students' tuition and fees and financial support. Because of their financial constraints private foundations are limited in their financial participation. To most private universities the burden of tax is not a big problem, and ways of enlarging investment through tax exemptions for supporting organizations is not expected to obtain much added revenue.[14]

Many times the subject of facility funds has been raised in governmental reports on policy research together with similar studies undertaken in the private sector and suggestions made for these funds under such names as 'Private University Depository', 'Promotion Fund', or 'Private University Foundation' the function of all of which would be to secure financial resources for long-term facility loans. The common point of the various reports is that because private universities have difficulties in securing financial resources, an investment fund for long-term loans must be established to improve their facilities. As mentioned previously, though there was a facility loan available for the private universities as a temporary measure, for their long-range development of education it is a pressing need to have increased financial resources to improve their facilities and a systemized administrative device to make

use of them. The establishment of the "Foundation for Private University Development" similar to the Japanese Foundation for Private University Improvement is now under discussion. Its function would be similar to the Japanese Foundation; to secure facility loans, to collect contributions, to apportion them to the private sector, and to manage or commission to manage the properties possessed and profit-making businesses.

3) Establishment of the Presidential Commission for Education Reform

The Presidential Commission for Education Reform was inaugurated on March 7, 1985, which will mark an epochal event in the history of Korea education. The Commission has four subcommittees, the third of which is the subcommittee of higher education, whose tasks are to examine the problems of higher learning and to suggest possible solutions from a long-term perspective. The reform proposed by the Commission to the Ministry of Education in October 1986 includes the following items relevant to higher education:[15]

(1) The control of the goverenment over universities should be alleviated. The government should give a free hand to universities by reducing such matters as governmental instructions and requests for reports. Establishment of autonomous bodies within national colleges and universities should be taken into serious consideration.

(2) By encouraging the establishment of an autonomous inter-university consultative body for evaluation and accreditation, the Ministry should help universities themselves to set up standards of higher education and to control its quality.

(3) In other to expedite the cultivation of high-quality manpower and maintenance of facilities, establishment of a 'Higher Education Development Fund' is suggested and expanded subsidies for research or total expenditure of universities.

(4) To solve financial problems of private institutions, tuition and fees should be regulated by the universities, and endowments should be positively induced.

(5) Autonomy in the financial management of universities should be guaranteed and the opening of public finance of these institutions should be institutionalized.

The Commission made the following recommendations to the President of the Republic in November 25, 1986.[16]

(1) In order to encourage the inducement of private investment in higher education, the limits of amount of losses and expenses should be reconsidered in auditing the accounts of donations.

(2) In other to expand the financial resources which beneficiaries of each university should share, the tuition and fees of students should be regulated by the university and the introduction of an endowment system be examined.

(3) In order to implement the 'expansion of educational finance' an 'executive committee' composed of officials from ministries concerned should be organized.

The above proposals show that the Commission, inaugurated as we observe the centenary of the introduction of the western educational system, finally has taken the right direction toward a normalization of higher education. As long as this Commission does not fail to meet our expectations, and as long as the educational authorities can act on all the proposals which will continue to be made by the Commission, we expect that it will be able to solve many of the pending problems concerning finance and the control of higher education in the public and private sectors.

Then, the universities in Korea have every reason to maximize their efficiency and productivity and they should be given maximum freedom to seek their own way of doing this. As Butler[17] put it, "It is only by allowing individual institutions the maximum freedom possible within the inevitable restraints of public finance and public policy that variety of development can be engendered from which alone, in the end, novelty and excellence derive."

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PUBLIC AND PRIVATE SECTORS IN INDONESIAN HIGHER EDUCATION

Willi Toisuta*

1. Historical Context

The Higher Education System in Indonesia has only a short history of about 40 years excluding the relatively sporadic development of a few institutions established during the Dutch Colonial time. After the first World War, according to Tisna Amidjaja, there were the schools of engineering in Bandung and medicine in Jakarta, called Batavia in that period. At a later stage of the Dutch occupation, a faculty of agriculture was established in Bogor, near Jakarta, and a factulty of arts and philosophy in Jakarta. The intention of integrating all these into one university was not realised due to the invasion of Japan in 1942.

The history of higher education in Indonesia really started in the late fourties when Gajah Mada University was established in Yogyakarta, Central Java, and the University of Indonesia in Jakarta. Later, in the second half of the fifties, a number of new universities were established in the regions, such as Sumatra and Sulawesi which became a pattern in the sixties and seventies for provincial governments to demand for their own universities. This was a reflection of rising consciousness in the regions for more equity and decentralization in higher education. As it is today, almost all provinces in Indonesia, except for East Timor, have their own public universities. Rapid population growth after the independence revolution brought new and increasing demand for education at all levels. Still, the social and political emphasis placed on equality of education opportunity, on one side, and on the other, the fact that the role of education has proven itself as a major venue in promoting the sense of national unity, were solid reasons for a positive responese of the central government to back-up proposals for quantitative expansion of education including establishment of more provincial public universities.

Even so, in the issue of quantity alone, only a small proportion (currently in the eighties is about 30%), of high school graduates who are entitled to pursue university education can be absorbed by the public universities. To comply with demand for

* Rector, Satya Wacana Christian University, Salatiga, Indonesia. The paper was read at the Seminar by Dr. Winarno Surakhmad, Professor of the same University.

more places and study opportunity at higher learning institutions, private universities; institutions; schools (sekolah tinggi); and academies, began to proliferate in the sixties. The higher education law of 1962 is the basis for that important decision which brought, since then, growth and development of the Indonesian higher education system with all its challenges and responsibilities especially as it faces the years ahead.

After its first 25 years of development (1950–1975) tremendous progress was noticed in the following areas: (a) total number of students has grown to more than times, i.e. from 10,000 in 1950 to 250,000 in the seventies; the total number of public institutions has grown from mere 2 in 1950 to 41 in 1974 or over twenty times; (c) the number of private institutions has become more than 200 compared to none in 1950; (d) increased number of postsecondary institutions in number and kind under various ministries;, (e) a number of graduate programs have been established in some universities.

A more drastic growth has occured during the ten years period of 1975 to 1985. In 1985 several Base Line Studies were carried out by the Directorate General of Higher Education (this will be abbreviated in the rest of the paper as DGHE) and some of the findings will show the latest picture of growth and development of higher education in Indonesia. Enrollment of students in the 44 public universities throughout Indnesia has increased from 237,051 in 1980/1981 to 322,583. This showed a growth rate of 8.0%. In the latter two years of 1982–1984, however, a decreased trend has occurred which changed the growth rate from 8.0% to 6.8%.These observed rates of growth seemed to be on the lower side if compared to the projected rate within the master plan of individual institutions which is 9.1% annually or even the target as set for the current five years development plan of Indonesia.

The growth of enrollment for private higher education can be described as follows. It must be made clear at this point, however, that when reference is made to private higher education, it should be kept in mind that the term covers different types of higher learning institutions, viz. universities; institutes; specialised schools like the school for economic studies, school of theology etc.; and academies-usually the three year colleges for professional training like, social work, technical skills of different trades which has currently become a terminal diploma (not degree) granting college-type training for professionals.

Even though enrollments in many of these higher learning institutions can be regarded as small compared with public universities and institutes, the large number of

institutions established within the last ten years has practically increased the national absorbtive capacity of higher education. As found by the Base Line Study for private universities, there were 570 private institutions for higher learning in 1985/1986 in Indonesia.

This has grown from 323 in 1980/1981 to 389 in 1982/1983 and became 570 in 1985/1986. At the same year of 1985/1986 there were 650,000 students enrolled in private higher education. An important fact that has become obvious from the student enrollment in private higher education was that these institutions have a very small intake capacity compared to the public universities. However, in contrast to the capability of the public universities to meet the targets of the current development plan, private higher education system, according to the following projections can most probably meet the anticipated numbers. Taking into account the overall trend of the 570 institutions, the Base Line Study has found it feasible to suggest an assumed conservative growth of 16% annually within the current development plan. This means that 60% out of the 1.6 million students which should be absorbed within the private system at the end of 1988 can be met. It is so stated because the 60% target will be equal to an approximate number of 960,000 students-while allowing the current trend alone to take place in the coming years will make the number most likely to enroll at the private higher education system close to the figure of 1 million students at the end of 1988.

Based on such quantitative expansion within the last thirty years of higher education growth and development in Indonesia some general observations can be made at this stage.

Out of the approximately 900,000 students enrolled in the Indonesian higher education system in 1985/1986 around 300,000 students were enrolled in the public sector and 600,000 in the private sector. The combined total was estimated to cover 4.5% of those within the age-bracket of 19–24 years. This participation rate will be increased to become 8.2% at the end of the current five-year development plan in 1988, i.e. an estimated 1.6 million students. It is hoped that the private sectors will cater for 60% or 960,000 of these students and the rest should be absorbed by the public sectors. Earlier, it was stated, that there was great doubt whether the latter could be achieved. On the other side, private sectors' estimation was that they will be able to meet the target given that the current process of development be allowed to continue.

This study will, therefore, trace, firstly, what are the constraints experienced by

the public sectors; and, secondly, the prerequisites for continuing current process of development at the private sectors of Indonesian higher education system.

2. Analysis of Higher Education Enrollment

1) The Public Sector

Enrollments of students in public universities (undergraduate program or stratum 1 (S1) level) have increased with an annual growth rate of 8%. The total enrollment of 237,051 in 1980/1981 became 322,583 in 1984/1985. However, it was observed that between 1982 and 1984 the growth rate has declined to only 6.8%.

At least this trend gave a strong indication of the possibility of a lower growth rate rather than the high projections as set in the development plan, or, the growth rate projected in the masterplans of the individual universities, i.e. 9.1% annually. This is one of the reasons why it was stated earlier that the public universities might not be able to reach the target of the development plan. Still, there are, some more serious considerations that should be taken into consideration when planning is undertaken for further expansion of enrollment at public universities. It was also shown that current trends indicate highest growth rate (if clustered according to major fields of study) in the social sciences, humanities, and, teacher education. The possible factors that might contribute to this trend could very well be the lower cost of expansion for these fields of study compared to science and engineering including the relatively higher level of funding in teacher educatin for technical and vocational schools.

Looking, still, from a different angle of the system, the financial side, it will become obvious that there is really a limited capability of the public sector system to expand. Total government financing to public universities did increase in money terms, from Rp. 88.9 billion in 1980/1981 to Rp. 186.0 billion (current terms) in 1984/1985, or, in constant 1980/1981 prices, to Rp. 121.6 billion. These figures, meant that during that period of time the annual growth rate of the budget was 7.8%. Since annual enrollment growth during that period of time was 8%, it becomes clear that, on a per-student basis, total government financing decreased at a yearly rate of 0.2% during that period. Further, from the point of view of the composition of the budget, one can notice that, there was a considerable change in the proportion of the routine and development budget (cf. BLS a 1985: 6). In 1980, from the total higher education budget, the routine budget represented about 57% while 43% was the development budget. By 1984, however, these percentages changed to 44%

routine and 56% development. The same study indicated that in constant terms, the development budget grew at an annual rate of 14.6%, while the routine budget grew at an annual rate of 1.2% only from 1980 to 1984. As it is true in reality that operational expenditures can be taken as a measure of educational quality, the substantial higher growth rates for development budget demonstrated above, would seem to indicate an annual decrease of educational quality during the period of 1980 to 1984.

In accordance with the macro economic situation of the country it can be expected that stringency in the Rupiah budget in the coming years will become the real constraint for quantitative expansion as well as qualitative improvements unless new innovative measures be worked out and instituted.

2) The Private Sector

Two related observations regarding the potential growth of enrollment in private universities.

According to the Base Line Study (BLS b. 1985) which covered 60% of all existing private universities (and institutions), a 10% annual growth for the coming ten years was projected by individual institutions. However, the enrollment growth trend of all private universities was reported by the Coordiantorate of Private Universities to be 25% annually in the years 1981–1983 but declined to an average 16% p.a. between 1984–1985. Since there exist obvious internal as well as external constraints, i.e. the low intake capacity (internal) and limited financial input (external) affecting the private universities, it would be reasonable to apply a conservative assumption regarding its future enrollment growth. Projecting either a 10% growth or 16%, both will prove the possibility of meeting the approximately 60% share of private universities from the national enrollment target at the end of the current Development Plan (i.e. about 940,000 and 1 million out of 1.6 million students).

This has been the major reason for the statement made earlier that, contrast to the public universities, the private sector was of the opinion that they will be able to meet the national enrollment target.

Assuming a conservative growth will mean allowing the present trend to continue without implying the accurance of significant changes especially inthe improvement of quality or adopting new innovative measures or even to cope with and adjust to new trends in scientific research. The real program affecting the future of the private higher education system is found to be financial. An improved situation will certainly have cost implication which might be very difficult to be resolved unless

tuition fees be increased due to the fact that that was the major source of income for all private universities and institutions. Related to this problem is the critical factor of staffing. In 1985/1986 there were 8 thousands fulltime and 25.5 thousands part-time staff in the private sector of higher education. This shows clearly the dependency of the private sector on the public universities for a great majority of their tearching staff. Only if the current policy of the government of allowing their staff members to continue teaching in the private ones than the teaching-learning-process at private sector could be expected to take place at least with the same degree of success as what it is now. Building in this policy is the government assistance in terms of appointing new fulltime staff for the private universities on government pay-roll. Some explicit explanation will be needed to clarify what has just been stated.

First is the dependency of private universities on the public ones. This means that without employing a great majority of part-time teaching staff, most of them from the nearby public universities, almost all private universitiers will not be able to operate satisfactorily. Since this will mean that lecturres will mostly be repeating themselves in several universities, their time to develop and research, even in the subject they teach will become very limited. As a result their quality of teaching will decrease rather than improve. Staff development for private universities in order to obtain, in the future their own fulltime staff members is now urgently needed. A small number of the private universities have from the time of their inception invested large portions of their budget to recruiting fulltime teaching staff. Should this be the case, then it could be said that they are relatively better prepared to face the future of higher education in Indonesia.

On the other hand, the public universities have had in the last ten years a tremendous benefit from the fortunate economic situation of the seventies. Not only had the government invested in staff development but in other aspects for institutional development of selected public universities. This to a certain extent has created a significant gap leaving the private universities at the peripheral and the public ones gaining new capabilities for further development.

The overall effect of such a situation has to be considered seriously in formulating current policies for accreditation. The situation is so varied that when thinking about existing "accreditation gap" one has to keep in mind that the gap existed not only between public and private universities but within each sector as well as amongst them.

Common issues, however, have been identified and these will be discussed together with the prospects for development in the future.

3. Issues & Prospects for Development

1) Quantity

The major concern is how to cope with the increasing numbers of High School graduates competing for limited enrollment capacities in the public as well as private universities. It was noted earlier that the national participation rate of 8.3% may not be achieved at the end of the current Development Plan unless exceedingly large additional funds are made available by the government. On the other hand private institutions due to their dependency on tuition fees can become even more expensive for students.

To be able to fulfill a most needed function of higher education in providing high level manpower for strategic areas for national development becomes an ultimate major challenge for the Higher Educaiton System.

It might therefore be important to define a more realistic target for the current development plan by breaking the given aggregate enrollment targets into fields of study and drawing up a scale of priorities among these fields. This can then be used as the basis for developing a rationale in allocating scarce resources.

As mentioned before, current trends indicate that the highest growth rate by major category of field of study (especially in the private universities) is in social sciences, humanities and teacher education.

The suggestion out of this is, therefore clear; a need for reappraisal of current investment policities and in terms of targets for enrollment that the scale of priorities by field of study be redirected towards science and technology with clear and specific targets of field of studies. This touches other issues of importance, internal efficiency and quality.

2) Quality

No doubt that any development and growth in the higher education system also implies an increase in the numbers of qualified teachers, size of campus and buildings, space, number of books and all other instructional materials and equipment within the obvious financial constraints, there are reasons to believe that investments in buildings and hardware might be limited to the most important needs only. Consistent with the prospects of concentrating on developing the science and technology fields of study, it is apparent that a large proportion of the budget will be absorbed by these areas. In terms of priority, staff development will become one very important aspect for qualitative reasons. This, as already demonstrated in the case of the

private universities, is and will continue to be a multi-faceted problem.

One of the main problems is the competition with industry in getting the best available student who is willing to be recruited for a low-paid academic salary compared to improvements in the newly introduced multi-national industries. In the long run staff members should be doing serious research which is currently the least abstractive activity compared to teaching. One has to be concerned with this fact, however, only if teaching in several universities can become major improvement in income for academics that they would not dare to spend time in non-income-generating activities such as research. The dramatic way of describing the situation is meant to show that new policies for quality improvement and productivity of the teaching staff in both public and private universities are critical.

As the same time, it is realized that from the point of view of issues such as relevancy and external efficiency (university's relation with the community needs and industries), the higher education curriculum should be up-dated in the near future.

The current practice of developing "Inter University Centers" is showing new possibilities for strengthening the higher education system's performance and capabilities for growth in the future.

However, more dynamic leadership should be developed to assure that non conventional lines of activities be carried out. One of such innovative work in coping with the small stock of highly qualified teaching staff and research scholars is to introduce a national policy for "pooling of resources". What is meant here is that ways and means be instituted for these qualified people to be shared by all universities through the utilization of modern technology such televised programs prerecorded lectures, teleconferences etc. In this way scarce talent can really become a national asset which can be made available for the whole country. In line with this is the need, especially for private universities, to form agreements of building "shared resources" like libraries, laboratories etc. When such policies are instituted then there is more hope to work rationally towards implementing the concept of one integrated development policy of public and private universities with a common national accreditation system.

Another related issue to quality is the issue of productivity of the university in terms of the number of graduates per year "produced" by each university in the country. It was observed that the average national target of 25% p.a. has not been achieved so far. One important aspect that should be looked into is still related to curriculum updating is the need for reducing the large numbers of subjects to be stu-

died by students. It might help to "economize" the teaching-learning process but more so to allow an indepth study of the subject rather than spending so much time to study many aspects superficially.

3)

Another issue is the need for systems development for the future. Indonesia higher education system is in need to really establish norms tradition for their academic identity. A tremendous effort in comparative study and analysis is needed in order to formulate our own standards which will fall into both the national as well as international requirements for higher education systems and managements.

PUBLIC AND PRIVATE SECTORS IN THAI HIGHER EDUCATION

Paitoon Sinlarat*

1. For Fear of Lack of Unity

In the year 1910, B. Martin de Tour, headmaster of the Assumption School in Bangkok, wrote to the General Director of the Department of Education asking for permission for the school to be accredited as a higher education institution. However, this request was turned down. Then in 1912, newspapers reported that American missionaries would establish a university in Chiengmai to offer courses in teacher training, arts, medicine and religion. But the news also died down. Thirty years later in 1937 a group of Presbyterian missionaries again asked to establish a university in Chiengmai. The Cabinet denied the request for the reason that "the establishment of a university is preserved for the state only,"[1] for fear that such establishments will set an example for groups of foreigners who have ill will to benefit from interfering with the political system. In addition, the Committee of the Educational Administration at that time also believed that "the state did not want foreign countries to influence upon its higher education students... as a matter of fact, no country, except colonies, has allowed other countries to establish a university in its country... as for Thai people, nobody dares to invest in this matter."[2]

While the private sector was making some arrangements for higher education institutions, the public sector had established various kinds of higher education institutions since 1908 and one of these became the first university, Chulalongkorn University, which was established in 1917[3] with the purpose to produce government officials to serve the state rather than to produce intellectuals or graduates for the business sectors.

2. Private Higher Education — the People's Demand

Even though the foreigners' idea for establishing private higher education institutions was rejected in 1937, this idea still remained. In 1955 the M.P. of Ubol Rajathani Province proposed a bill to establish a private university. He reasoned that many people wanted higher education, but the government could not sufficiently

* Associate Professor and Deputy Dean for Academic Affairs, Faculty of Education, Chulalongkorn University, Bangkok, Thailand.

provide it. The government therefore, should allow the private sector to help with this problem. Nevertheless, this bill did not pass. But the problem of inadequacy of higher education institutes was reconsidered by the Council of Public Universities at that time. Still they considered that higher education was the state's affair. The government therefore expanded universities to those provinces in the north, the north-east and the south. However, from 1960–1964 the demand and popularity of higher education increased due to the proclamation of the national development plan. The demand for the opening of private universities also increased. The Prime Minister's Administration Bureau therefore presented a proposal concerning permission for the private sector to establish higher education institutions to the National Education Commission to consider again in 1965, after this issue has been rejected twice. But this time the vote for this proposal was 25 : 24 with the condition that the operation should be under strict control. The Committee submitted its decision to the Cabinet for permission. The Cabinet then agreed in principle and assigned the party concerned to draft a bill permitting private higher education institutions which went into effect in 1969.

The establishment of private higher education in Thailand then came into existence mainly because of the people's demand. Because of it's establishment the state's burden in arranging higher education was partially reduced. However, this demand also has some effects on the problems of unemployment and redundancy of higher education in the years later.

3. Specifications Must Be Followed

If the word "private" or "personal" mainly means the freedom to believe and to follow one's faith and also to be responsible for that belief and the actions that follow, then this cannot be applied to the private sectors in Thai higher education. Although the government has finally permitted the private sector to establish higher education institutions, it still keeps close watch on their operation. The state permitted establishment, mainly in respect to the internal operation, especially in the first stage of the private higher education arrangement. At present, even though there have been some improvements in this kind of supervision, the Ministry of University Affairs still maintains close supervision and regulation by appointing "the Private University Committee" to supervise and approve of various matters. This committee appoints subcommittees to take care of various details such as the Curriculum Development committee, the Educational Standard Committee, the Principles of the

Tuition Fee Committee and the University Establishment Committee.

Thus, Thailand's private higher educations institutions are "private" in respect to the internal administration, but academic activities especially standards of education still follow the guidelines and standards of the government. The private sector has fewer opportunities to develop and to experiment with new challenges in comparison with what foreign universities like Waseda University have been able to do. They have no full chance while public higher education institutions seem to have more freedom.

4. Educational Concessions

In Thailand, there has been a system of concession, that is, if the government wants to offer a service to its people but cannot do that by itself, the government will allow the private sector to invest and operate within the scope and guidelines set by the government. Private higher education institutions seem like an educational concession in that the government wants to render a higher educational service to the people by following its existing line but it cannot bear the full cost, so it has to let the private sector run it. The management of the private sector is better and more flexible. Each year private higher education institutes help to lessen the state's burden, and this help is increasing. In the year 1980, the public universities could

TABLE 1 Population and Higher Education Enrollments — Academic Year 1980–1983 —

	Academic Year			
	1980	1981	1982	1983
1. Population	46,964,338	47,875,002	48,846,927	49,229,561
2. Number of Higher Education Students	690,516	787,588	978,307	988,060
Bachelor and Lower				
2.1 Ministry of Education	101,300	128,402	175,277	205,078
2.2 Ministry of Univ. Affairs				
Limited Admission	84,431	86,994	87,415	88,318
Opened Admission	477,014	541,491	680,086	656,725
Private Institutions	27,771	31,031	35,529	37,939

Source : Ministry of University Affairs, *National Case Studies on Higher Education in Thailand*, 1986

admit 84,431 students whereas the private institutions could admit 27,771 bachelor and lower degree students. But in the year 1983 the former admitted 88,318 and the latter 37,939, not including open universities (see table 1). It is estimated that by the year 1991 the public universities will admit 120,107 while the private universities will admit 82,104. Apparently the private sector's expansion has been and will increasingly be better while the expansion of the public sector stands still with a limited budget.

The large expansion of the private sector in one aspect seems to be in accordance with the people's demand. However, the fear of "over-education" or "redundancy of degrees" began to increase because statistics showed that unemployment of graduates in some fields increased by 48.6%. Both public and private higher education institutions have been seriously considering this problem.

5. Survival of the Fittest

Since the purpose of the government is to let the private sector reduce the burden of the government in the arrangement of higher education, the private sector has to bear the financial load. But the government clearly mentioned that it did not want the private sector to make more profit than it is entitled to. As a result, when private colleges, are established the state has to inspect the land and consider whether it meets the specifications of the Ministry of University Affairs or not. After obtaining permission, the private sector has to hand over that land to the institute immediately. Beside the land, the one who proposes to establish the institute must have the fundamental capital together with precise programs and projects according to Section 13 of the Private University Act of 1979. Apart from that, private higher education institutions have to give their financial reports to the Ministry of University Affairs every year. This is to guarantee that those institutions will not take advantage of their students or make too much profit. Section 61 of the Private University Act of 1979 stated that not more than 15% of the profit can be returned to the owners.[4]

So far, the financial standing of private higher education institutions has been satisfactory. Only 1 institute went bankrupt and the state had to relocate the students to various institutions. The revenue of private higher education institutions mainly comes from tuition and fees. The help they require from the state is a partial tax reduction, the loan guarantee and some money for faculty and academic development. During the last 5 years, the state has given private institutions only 18 million baht.

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Although the private sector is financially independent, the state helps assure its security. As for public institutions, they of course use the government's budget in a rather extravagant way.

When the first Private University Act came into existence in 1969, there were only 4–5 private institutions. In 1978 there were 10, in 1987 21, and it is estimated that in 1991 there will be about 30 (see table 2). The number of students keeps on increasing. And now there are 4 private universities. This situation indicates a high competition among private institutions. The Ministry of University Affairs controls and supervises the development of the private institutions on one side, but on the other side each institution has it own internal control and also keeps watch on each other. Each institution becomes stricter with its standard. The number of dropouts

TABLE 2 Private Universities in Thailand

Institutions	Year of Establishment
1. Krirk College	1970
2. Krungthep University	1970
3. Dhurakijpundit University	1970
4. Sripatum College	1970
5. Thai Chamber of Commerce University	1970
6. Assumption Business Administration College	1972
7. Siam Technical College	1973
8. South-East Asia College	1973
9. Payap University	1973
10. Saengtham College	1976
11. Kanasawat College	1979
12. Hoa-Chiew College	1982
13. Christian College	1983
14. Srisophon College	1984
15. Vongchavalitkul College	1984
16. Saint Louis Nursing College	1985
17. Rangsit College	1985
18. Roi-et Pundit College	1985
19. Mission College	1986
20. Pissanuloke College	1986
21. Piratana Phakklang College	1986

highly increases. More instructors from public universities are invited to be part-time lecturers, Faculty development also increases. However, these kinds of activities can be found only in large institutions and are rare in small ones. Beside, the Association of Private Higher Education Institutions of Thailand has been set up in order to consider and discuss the solutions to their mutual problems and also to negotiate collectively with the government.

The competition and the intensive self development of some private higher education institutions has been greatly successful. In some fields such as mass communication, accounting and business administration, the graduates from private institutions are more popular in the labour market. Because of this, public universities have begun to look critically at themselves more often.

6. Similarities Among Differences

Even though private higher education institutions are called "private, they are private only in regard to some parts of their internal operation. The curriculum, teaching, testing and other educational regulations are all under the control of the government through the Ministry of University Affairs just like those of public universities. Both public and private institutions are under the strict rules and regulations of the government. Academic freedom may sound euphemistic and desirable, but there is still not enough freedom. Private institutions which should have more freedom, in fact have less freedom. Instructors in both public and private institutions are under the bureacratic and capitalistic system that use the loopholes in the government service as a chance to work for their own benefits by trying to make some advancaement in their particular fields without sufficient analytical and critical thinking towards the society. As for students, they only think about their occupation and work. Consequently, the implanting of ideas and ideals for the sake of society regretfully decreases. Considering these facts, we should not go further without questioning what the university's target development is, or as university staff what we are doing now, for whom and for what purpose in the future. According to Nagai Michio, in his book "Higher Education in Japan", the reform of higher education in the aspects of autonomy and planning or Self-Government does not easily occur either in Private and Public Sectors.

7. On the Path to the Future

Both public and private higher education institutions are confronting future

problems which are similar except for some particular details. The significant problems that they are facing are the problems of quality, unemployment, management, contorol and supervision of both public and private institutes, limited budget, instructors who are interested in their own academic benefits, research and textbook financial support. Besides the major problems mentioned there are many other problems. No matter what problems there are, the solutions actually depend upon the understanding and awareness of the nature and role of higher education institutions. At present, no one asks why we have to do this or that.[5] Almost everybody in universities has a lot of work to do and works very hard, but what do they work for? If we can answer these questions clearly, then the path to the future of public and private higher education will be smoother.

Notes

1. Quoted in Orathai Phothisuk, "Development of Private Higher Education Institutions in Thailand, "Unpublished Master Thesis, Faculty of Education, Chulalongkorn University, Bangkok, Thailand, 1987, p. 93. (in Thai)
2. Phothisuk, p. 94
3. Paitoon Sinlarat, "Development of Universities in Thailand, "Unpublished Master Thesis, Faculty of Education, Chulalongkorn University, Thailand, 1973, p. 33 (in Thai)
4. Ministry of University Affairs, *Private University Act of B.E. 2522* (1979)
5. See, Paitoon Sinlarat, "Crisis in Thai University", *Chaturussuksa* Vol. 1 No. 1 May 1987 (in Thai)

THE GOVERNANCE OF HIGHER EDUCATION IN THE PEOPLE'S REPUBLIC OF CHINA

Maoyuan Pan*

In the existing system of higher education in the People's Repuublic of China full-time higher education institutions are all public. It seems therefore, impossible to address directly the seminar topic "Public and Private Sectors." Nevertheless, China is confronted with the problems of how to spur collective and individual donations for higher education and how to bring the initiative of the masses into play while increasing national educational investment, and of how to effectively manage higher education institutions at all levels and types. All countries have their own characteristics in educational governance due to variety in social systems, economic development, cultural heritage and educational policies, but every country's expeciences bear some refecence value for others. In view of this, I consider it valuable to participate in such a seminar exchanging experiences frankly.

1. General Information on the Existing Governance of Higher Education in China

In pre-revolutionary China there were two forms of governance, public and private, for higher education. Private higher education institutions made up nearly 44% of the total.

After liberation, by way of reorganization of colleges and departments, private institutions either were changed or incorporated into public ones. Currently, looking at the governance of public institutions, we adopt the principle of "unified leadership and stratified management", and our system of schools is now being governed at three levels — the Central Government, provincial governments (or autonomous regions and municipalities directly under the Central Government) and key municipalities. Those higher education institutions directly under the Central Government can be divided into two types: some under the State Education Commission and others under the central professional ministries. Therefore, in light of the system of management, full-time higher education institutions can be classified according to the following four types:

* Director and Professor, Institute of Higher Education, Xiamen University, People's Republic of China.

(a) Institutions directly under the State Education Commission. Institutions of this type are nation-oriented, multi-disciplinary and comprehensive, and have great influence. There are only 36 such institutions, and most of them are key universities of China.

(b) Institutions under the central professional ministries. These are generally specialized institutions, with the purpose of cultivating professional personnel for a certain professional system. Now there are 286 institutions of this kind in China, the majority of which are also geared to the nationwide needs or the needs of some provinces. Some of them are also key universities.

(c) Institutions under the provincial governments (or the autonomous region or the municipality directly under the Central Government). Institutions of this kind mainly train professional personnel for the province (or the autonomous region or the municipality) where they are located. These are also divided into two types: one is multi-disciplinary, governed by the educational administration of the province (or the autonomous region or the municipality), the other is specialized, cultivating professional personnel for a local specific professional system, managed by local professional departments, The largest number of Higher Education institutions are of this kind and total up to 576.

(d) Institutions under the leadership of key municipalities (or prefertures). Institutions of this kind cultivate professional personnel for the key municipalities and the prefectuces under their jurisdiction. Generally speaking, these are newly established vocational academies or short-term (2 or 3 years) vocational universities, amounting to only 118.

The above-mentioned four types of higher education institutions, according to the statistics of the academic year of 1986/86, total up to 1054.

Higher education institutions obtain their funds from the government or department which directly controls them. But all higher education institutions must carry out the central unified educational policies, observe the unified educational regulations and budget standard set by the Central Government and be subject to the leadership of the State Education Commission. Moreover, all the higher education institutions directly under the jurisdiction of the Central Government or a key municiplity (or a prefecture) should be subject to the leadership and guidance of the provincial government and the education administration of the very province in which they are located.

In addition to the full-time higher educational institutions, there is a large sys-

tem of adult higher education in China, including T.V. university, workers' university, peasants' university, education college, cadres' administration college, correspondence college and so on.

In the academic year of 1985/1986, there were 1216 (now there are 1420) such institutions in China. There are also many correspondence sections and "evening universities" attached to full-time universities and colleges. There are now 1,800,000 students enrolled in adult higher education institutions throughout the country, not much less than the enrollment of 1,880,000 students in full-time higher education institutions. Besides, every province (autonomous region and municipality directly under the Central Government) conducts an Examination of Self Study in Higher Education, and millions of in-service youth and other young people who are not working or attending school are studying on their own via programs for the Examination of Self Study. They sit for the examination subjects one after another. If a subject is passed, then the credit for the subject is given. After one has accomplished the required courses and accumulated enough credits required by the program, he or she recieves academic qualifications equivalent to full time educational institutions.

Adult higher education is conducted for most part by local governments, professional departments or enterprises and partly by social groups. The local governments, departments, units and groups that conduct adult higher education should raise funds by themselves, but adult higher education everywhere is subject to the leadership of the central and local governments.

2. School-Governance in China — Merits and Problems

The principle of "unified leadership and stratified management" and the three-tier school-governance system adopted by China are fundamentally compatible with the socialist political system and the economic system of China. This system has some of the following merits:

(a) The state practices unified leadership over higher education. Unified leadership here mainly means that the state formulates and puts into effect higher educational guidelines, policies, decrees, key regulations and rules, macro control and guidance of the developmont of higher education throughout the country, coordinates the educational work of various localities and departments, draws up the admission plans and criteria, and carries out the National Unified Entrance Examination. Unified leadership is beneficial to ensuring the nature and orientation of our socialist higher education, carrying out socialist educational general policies in higher educa-

tion institutions, realizing educational goals of higher education institutions and ensuring the quality of higher education. Finally, it enables the development of higher education to meet better the needs for qualified personnel demanded by socialist economic construction and various fields of construction in society.

(b) The State Education Commission directly runs some higher education institutions, the majority of which are those with higher levels in teaching and research, and a relatively complete structure. These institutions are under the direct leadership and management of the State Education Commision, which play a leading role as the backbone of Chinese institutions of higher learning, hence being beneficial to spurring the improvement of quality of higher education as a whole.

(c) A large number of colleges and universities being run by professional departments and local governments is beneficial to putting into play the initiative of departments and local governments for running institutions, and supporting the development of higher education with funds provided by professional departments and local finance. Generally speaking, professional departments have relatively abundant funds, and have a considerable initiative in intellectual investment with the purpose of cultivating qualified personnel required by their own systems and solving problems of how to raise intra-system productivity. In order to cultivate locally needed qualified personnel, to develop local economy and society and to raise the local scientific and cultural level, provinces (autonomous regions and municipalities directly under the central Government as well) and key cities (or prefectures) can try to dig up financial resources and to make the most of teachers, school buildings, facilities and potentialities of the locality in governing higher education. Of the currently rapidly developing workers' universities, short-term vocational universities, the majority are the product of the initiative of the locality in running schools.

(d) Stratified governance is also beneficial for helping to predict the qualified personnel requirement of various professional departments and localities, thus causing arrangement and adjustment of course of study, admission, and distribution of graduates, to be more conformable to practical needs.

However there are some problems in the process of governance. The main problems are as follows:

(a) Government departments control higher education intsitutions too strictly. Not only do they lead institutions of higher learning by guidelines, policies and macro-control, but also interfere too much in school affairs and seek unification inflexibly. As a result, schools are lacking autonomy in running education, and are often

unable to adopt flexible measures according to their own actual situation.

Thus, the initiative and the vitality of colleges and universities for governance are restricted. Moreover, governments at various levels, various professional departments, both central and local, practise respectively their own so called "unified leadership" over higher education institutions in various aspects, such as admission of students and distribution plan of graduates, finance, capital construction, personnel affairs, labour and ideological and political education, professional education and scientific research, all of these are managed or interfered in respectively by various departments. So a multilateral leadership is evolved where various departments are holding each other up with little coordination, thus causing low efficiency in handling affairs. This is incompatible with the principles of modern scientific management.

(b) A single pattern of educational investment is unfavorable to bringing the masses' initiative into play in running schools, and to digging up financial resources from all circles of society. Colleges and universities get nearly all of their funds from the appropriation of the state or local governments, basically according to enrollment which is the main indicator for the appropriation quota. In this way, whether an institution is run well or nor, whether the educated are highly qualified or not, whether the offerings of study meet the needs of society or not; the amount of educational funds remains unchanged and there is virtually no need or possibility for the institution to get financial aid elsewhere. Until the recent past, after students were enrolled, whether they studied or not, their basic life necessities were provided for by the state. After graduation, the graduate is assigned a job by the state and just as the Chinese saying goes: to be admitted into a university is to hold an "iron bowl". Both institutions and students lack a competitive spirit. Consequently, the intiative in running an institution or studying cannot be spurred and an overstock and waste of qualified personnel are the result.

(c) The fact that the central professional departments respectively manage colleges and universities enables the individual department to cultivate qualified personnel more effectively in light of its own system's needs. While there is merit in it, there are shortcomings that a single department running education with its own funds can only set up courses of study according to its own professional scope, causing much trouble in nation-wide overall consideration for readjustment; and that there is unavoidable overlap in courses of study set up by the department-run institutions; and that in some higher education institutions, such as many engineering colleges, specialities are becoming narrower and narrower, in some cases, even only for a cer-

tain product. It is not compatible with the laws of developing higher education.

3. Reforms in Higher Education Governance in the Current Ongoing Education System Reform

The People's Republic of China is now carrying out an economic system reform. In order to fit in with the economic system reform, we are carrying out reform of the educational system simultaneously. The Party Central Committee Decision on the Reform of the Educational System was made public on May 27, 1985. Now education all over the country is experiencing tentative reform in the light of the Decision. What is presented here concerns the ongoing reform work of governance for higher education in the reform of educational system.

The ongoing reform of higher education governance is all the same, in the light of the principle of "unified leadership and stratified management", to practice three-tier governance — the central authorities, provinces (autonomous regions and municipalities directly under the Central Government), key cities (prefectures). But, under the guidance of the unified educational guidelines, policies and plans, the initiative of all circles of society and the masses in running schools is being put into play, more administrative powers are being given to universities and colleges; the linkages between higher education institutions and production, scientific research as well as all circles of society are being strengthened, in order that colleges and universities may be full of vitality.

We are taking the following major reformative measures:

(a) Expanding the autonomous powers of institutions of higher learning in governing education. On the premise of carrying out the state's education policies, decrees and plans, institutions of higher learning are authorized to handle various kinds of governance affairs, including speciality orientation, teaching programs, course text, scientific research, technical development, international exchange, use of funds, appointment and removal of personnel, and so on. On the other hand, educational departments will organize educational and cultural circles and the departments in need of graduates will periodically evaluate the level of governance in higher education institutions and inspect and guide them.

(b) Reforming the enrollment and graduate distribution system of higher education institutions, and changing the practice that colleges and universities enroll students totally according to the state's plan where all their graduates are assigned jobs by the state. In the case of enrollment, on the basis of accomplishing the state enroll-

ing plan, colleges and universities are now allowed to admit students who are sponsored by units in need of them and students who provide for their own expenses.

In the respect of distribution of graduates, those graduates who have been enrolled by state plan, hand in their written requests concerning their preference of job, then units in need of them choose the best among them for the job on the recommendations of colleges and universities. Students sponsored by units which should pay educational costs to the school, will work at the sponsor unit. Those students who pay for themselves will seek jobs on the recommendation of their school or by themselves. This way guarantees the carrying out of the state plan for cultivation of qualified personnel and functions as a supplement to the state plan. In addition, it is also helpful to increase higher education institutions' funds. However, no matter what types of students they are, all students, including students enrolled in adult higher education, have to pass the National Unified Entrance Examination in order to insure the quality of freshmen.

(c) Changing the single pattern of investment in higher education. Besides the state appropriation, collectives are encouraged to invest to joinly run schools, and individuals are encouraged to donate money for education. The state appropriation, including education budgets of the central and local governments, is to grow at a rate a little faster than that of financial current incomes. However, in spite of the increase of the state appropriation, the needs of rapidly developing higher education are still not met. We still have to raise funds by various ways. For example, colleges and universities run education jointly with other establishments and units concerned to cultivate their needed personnel with the education cost, including current expenditure, initial funds, and capital expenditure, being provided by the establishments and units concerned. Social groups, collective economic units and individuals are encouraged to donate money for education. Joint funding of institutions with foreign and national resources are also encouraged. In recent years, newly opened Shantou University and Linpo University were indeed established with private donation. Of short-term vocational universities and adult higher education institutions, some are set up by the donation of social groups, collective economic units and devotees of education. In addition, institutions of higher learning may strengthen their economic position by way of undertaking scientific research tasks, technology transfer, technology development, consultation services, short-term training and so on. Meanwhile, we are gradually reforming the previous system of state stipends for students, which no longer applies to students except those at normal colleges and students who are to work

under tough conditions. Scholarships, instead of student stipends, are given only to the excellent students and the students who have economic difficulty are given necessary subsidies or a loan. This not only encourages students to study hard but reduces the financial load of the state. Of course, reforming the single pattern of investment in higher education is a process, and thus should be in step with the economic system reform. Thus far, most higher educational funds still depend on the appropriation of the Central Government and local governments.

The above brief introduction relates some reformative measuces directly concerning school governance. Now a higher education system reform is going on, and the reform of school governance is on trial. In the process of reform, different and better measures are very likely to come into being. Therefore, though there is no existing problem of publicly versus privately governing schools, with economic development and growth of collective economy institutions of higher learning are bound to get more support from social forces. That is why we are interested in this seminar. I should like to express my desire to learn from your countries' experiences. Let us make a joint search into the advantages and disadvantages of our systems.

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Higashisendamachi, Nakaku
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